



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE MINUTES**

March 27, 2014

Time Convened: 10:35 a.m. EDT

Time Adjourned: 11:48 a.m. EDT

**Warrington Conference Room, Emerson Alumni Hall,
University of Florida, Gainesville, Florida**

1.0 Call to Order and Welcome

Committee Chair, David M. Thomas called the meeting to order at 10:35 a.m. EDT.

Committee Members present:

All committee members were present: David M. Thomas (Chair), C. David Brown, II, Susan M. Cameron, James W. Heavener, Carolyn K. Roberts, Juliet M. Roulhac, and Steven M. Scott.

Others present:

Others present were President J. Bernard Machen, Vice President and General Counsel Jamie Lewis Keith, Senior Vice President and Chief Operating Officer/President of the University of Florida Development Corporation, Winfred Phillips, Ed Poppell of the University of Florida Development Corporation, Vice President for Research/President of the University of Florida Research Foundation, David Norton, Interim President and Chief Operating Officer, University of Florida Investment Corporation, Edward Kelly, members of the President's Cabinet, Senior University Counsel Michael Ford, Executive Assistant Rebecca Holt, members of the University of Florida Community, and other members of the public and the media.

2.0 Verification of Quorum

After a roll call, a quorum was confirmed, with all members present.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the December 5, 2013 meeting, which was made by Trustee Roulhac and Seconded by Trustee Scott. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 Action Items

There were no action items to be discussed.

The following Discussion/Informational Items were addressed by the Committee:

5.0 Discussion/Informational Items

5.1 Category 1 Affiliate Presentations

Chair Thomas noted that as part of the Committee's affiliate governance oversight, the Committee had a presentation from Vice President and General Counsel Jamie Lewis Keith last March on UF's oversight controls for Direct Support Organizations (DSOs) and other affiliates. Slides from that presentation were distributed to all Trustees. The Committee determined that UF oversight is good and governance controls are in place. A UF Trustee already serves on the Board of each of the most substantial and complex DSOs and affiliates. However, the Committee decided to meet with each of the 8 most substantial and complex DSOs and affiliates beginning in March 2014 to determine whether or not meetings with the Governance Committee would significantly enhance oversight. The DSOs and affiliates are separate private tax-exempt entities that support UF's mission, and the UF Board of Trustees is not duplicating or micro-managing what their board do, just fulfilling the UF Board's oversight responsibilities.

The first three most complex DSOs and affiliates made presentations and their slides have been uploaded to BoardVantage for all Trustees.

- The University of Florida Development Corporation (UFDC) was represented by its President, Winfred Phillips, and its Innovation Square Development head, Ed Poppell. UF Board Chair C. David Brown, II is also UFDC's Board Chair.
- The University of Florida Investment Corporation (UFICO) was represented by its Interim President and Chief Operating Officer, Edward Kelly. Andrew Banks is its Board Chair and James W. (Bill) Heavener is the newly appointed UF Trustee on UFICO's Board.
- The University of Florida Research Foundation (UFRF) was represented by its President, UF's Vice President for Research, David Norton. UF President Machen chairs the UFRF Board and Trustee Carolyn K. Roberts is the UF Trustee on UFRF's Board.

Prior to the meeting, each DSO and affiliate completed a governance survey, and these surveys were included in the Governance Committee Board materials for the meeting. General Counsel Jamie Keith also noted that the Board's Audit Committee reviews summaries and reports of the DSOs' and affiliates' audits and management responses and the Finance and Facilities Committee reviews DSO and affiliate financials as part of UF's financial reporting. The presentations focused on each DSO or affiliate's mission and relationship to UF's mission; its notable accomplishments over the last five years; its major strengths and opportunities, as well as strategies to ensure awareness of challenges; and its short and long-term goals and approach to performance metrics. The Committee asked questions to confirm identification of areas

warranting compliance focus and sound compliance approaches. The Committee also asked questions related to understanding each entity's board and management governance. In future presentations, Committee Chair Thomas asked for a slide on compliance systems.

5.2 Update on Directors and Officers Insurance

General Counsel Jamie Keith provided an update on Directors and Officers insurance.

- The Governance Committee had concurred with the President that Directors and Officers insurance (at a premium of \$60,000/year) isn't needed unless required by a Trustee's employer to approve service on the UF Board.
- That need for D&O insurance doesn't presently exist and we are not planning to renew the policy.
- The Bylaws' mandatory indemnification and UF's financial status, would allow us to cover certain fiduciary duty and contractual liabilities, the main areas where our protection for sovereign immunity may not suffice.
- Insurance doesn't cover intentional misconduct or criminal acts anyway and also doesn't cover contractual liability unless the University purchases an endorsement and collects and provides data on contracts that would be impractical. UF's Board doesn't typically approve individual contracts.

5.3 Update on DSO Insurance Review

General Counsel Jamie Keith updated the Committee on the affiliated organization insurance review. She advised that Senior University Counsel Mike Ford has completed an insurance survey process with UF's DSOs and affiliates, aided by the Self Insurance Program and staff who work on insurance at the University Athletic Association and University of Florida Foundation. The plan is to use an independent insurance consultant to undertake a focused review of the adequacy of insurance carried by the DSOs and affiliates that have not already done an insurance review and would benefit from that review. The consultant is Thomas Atkins, whose firm does not write or broker insurance and has advised the University of Florida Foundation and many universities and foundations around the country. The cost of the review will not exceed \$20,000, to be funded by the Board's budget, and the goal is to provide the advice to the DSOs and affiliates and report back to the Committee at its June meeting that this has been done.

6.0 New Business

There was no New Business to discuss.

7.0 Adjournment

After asking for any further discussion and hearing none, Chair Thomas asked for a motion to adjourn, which was made by Trustee Roberts and a second which was made by Trustee Cameron, and, with no further discussion desired, the motion was passed unanimously and the Governance Committee meeting was adjourned at 11:48 a.m. EDT.



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
EXECUTIVE SUMMARY
March 27, 2014**

The Committee will not have any Action Items.

The Committee will address the following Discussion/Informational Items:

As part of the Committee's affiliate governance oversight project, the focus of the Committee's March meeting will be on the governance surveys and presentations of three of the University's most-substantial-tier (category 1) affiliated organizations—the University of Florida Development Corporation, the University of Florida Investment Corporation, and the University of Florida Research Foundation, Inc. Each affiliate's chief executive officer will make a 10 minute presentation, focusing on its (1) mission and tie to UF's mission, (2) notable accomplishments over the last five years, (3) major strengths and opportunities, as well as strategies to ensure awareness of its challenges, and (4) short- and long-term goals and approach to metrics for performance. After the affiliate's presentation, its representatives and the Committee will have approximately 15 minutes for questions and dialog. Completed governance surveys for these affiliates are included in the meeting materials. Only UFICO has its own employees; the others are served by UF employees. (In June, we plan for the remaining category 1 affiliates to have similar sessions with the Committee.)

Jamie Lewis Keith, Vice President and General Counsel, and Mike Ford, Senior Counsel, will briefly update the Committee on Director's and Officer's insurance and the status of the Committee's affiliate insurance review project.



UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE AGENDA

March 27, 2014
10:30 a.m. EDT

Warrington Conference Room, Emerson Alumni Hall,
University of Florida, Gainesville, Florida

Committee Members:

David M. Thomas (Chair), C. David Brown, II, Susan M. Cameron, James W. Heavener, Carolyn K. Roberts, Juliet M. Roulhac, Steven M. Scott

- 1.0 Call to Order and Welcome David M. Thomas, Chair
- 2.0 Verification of Quorum Jamal Sowell
- 3.0 Review and Approval of Minutes..... David M. Thomas, Chair
[December 5, 2013](#)
- 4.0 Action Items David M. Thomas, Chair
None
- 5.0 Discussion/Informational Items..... David M. Thomas, Chair
 - 5.1 Category 1 Affiliate Presentations
 - [5.3.1 University of Florida Development Corporation](#)
 - [5.3.2 University of Florida Investment Corporation](#)
 - [5.3.3 University of Florida Research Foundation, Inc.](#)
 (Each affiliate’s completed governance survey is attached in the Appendix.)
 - 5.2 Update on D&O Insurance Jamie Lewis Keith and Mike Ford
 - 5.3 Update on DSO Insurance Review Jamie Lewis Keith and Mike Ford
- 6.0 New Business David M. Thomas, Chair
- 7.0 Adjourn David M. Thomas, Chair

APPENDIX

Note: For direct access to individual documents in the Appendix (without scrolling) go to the Agenda and click on the blue links, or go to the bookmarks (upper left hand corner on the iPad or upper right hand corner on the computer).



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE MINUTES**

December 5, 2013

Emerson Alumni Hall, University of Florida, Gainesville, Florida

Time Convened: 10:35 a.m. EST

Time Adjourned: 11:17 a.m. EST

1.0 Call to Order and Welcome

Committee Chair, Steven M. Scott called the meeting to order at 10:35 a.m. EST.

Members present were:

Steven M. Scott (Chair), C. David Brown, II, Carolyn K. Roberts, Juliet M. Roulhac, David M. Thomas. Trustees Susan M. Cameron and Marshall M. Criser, III were unable to attend.

Others present were:

Trustees Marc Heft, Bill Heavener and Jason Rosenberg; President Bernie Machen; Joseph Glover, Provost and Senior Vice President; Paula Fussell, Vice President for Human Resource Services; Jamie Lewis Keith, Vice President and General Counsel; Michael Ford, Senior University Counsel; Ryan Fuller, Associate University Counsel; Janine Sikes, Assistant Vice President for Media Relations and Public Affairs; Jamal Sowell, Special Assistant to the President; and other members of the Cabinet and University community, the public and the media.

2.0 Verification of Quorum

After a roll call, a quorum was confirmed, with all members present, except for Trustees Cameron and Criser.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the September 19, 2013 meeting, which was made by Trustee Roulhac and Seconded by Trustee Thomas. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 Executive Session

The Chair noted that the Committee would be asked to ratify some routine amendments to the Collective Bargaining Agreement with the Police Benevolent Association as an Action Item, and asked whether any members of the Committee wished to have an Executive Session to discuss collective bargaining. There was consensus of no need for an Executive Session.

The Committee considered the following Action Items:

5.0 Action Items

GV1. Amendments to Collective Bargaining Agreement Between the University of Florida Board of Trustees (BOT) and the Police Benevolent Association (PBA)

The Chair asked Vice President for Human Resource Services, Paula Fussell, to Summarize GV1-- changes to the Police Benevolent Association's Collective Bargaining Agreement.

Ms. Fussell thanked Kevin Clark, the Chief Negotiator for the PBA Union for his work and then summarized the main changes. These are:

- Article 9: requiring individuals to apply for any desired promotional opportunity rather than automatically considering all individuals who pass the promotional exam for every position;
- Article 18: implementing the 2013-14 pay raise;
- Article 23: reimbursing 120, rather than 60, credit hours at Santa Fe College, but requiring courses to advance toward a degree in a declared major in order for tuition to be reimbursed.

After a brief discussion, the Chair asked for a motion to approve GV1—Ratifying the Amendments to the Collective Bargaining Agreement between the University of Florida Board of Trustees and the Police Benevolent Association-- for the Board's approval on the Consent Agenda, which was made by Trustee Thomas and Seconded by Trustee Brown. Chair Scott asked for any discussion, and then, all in favor—any opposed—to the motion, which passed unanimously. Chair Scott added that he is pleased that, after five years of fiscal austerity, the financial picture is more optimistic and the University is able to provide for staff advancement.

GV4. Mid-Term Vacancy in Board Vice Chair

Board Chair Brown noted that Trustee Criser had resigned from the University's Board of Trustees, effective January 1, 2014, to assume the role of Chancellor of the Florida State University System. This creates a vacancy in the Board Vice Chair position.

The Committee Chair asked Vice President and General Counsel Jamie Lewis Keith to summarize the Action Item and Resolution for the election of a successor Vice Chair. Ms. Keith uploaded GV4 and Resolution R13-126 and gave an overview of the resolution after explaining that the Board's custom is for the Governance Committee to recommend a Trustee to fill the

mid-term vacancy in the Vice Chair position for approval by the Board on the Consent Agenda. The Trustee elected to succeed Trustee Criser as Vice Chair will serve from the effective date of the vacancy on January 1, 2014 through June 30, 2016—which is the period specified in the Bylaws in the event of a mid-term vacancy at that time.

Trustee Rosenberg asked why the appointment was not only for the unexpired term of the previous Vice Chair. Ms. Keith explained that this question had been robustly discussed and decided by the Board in 2012 when we had a mid-term vacancy in our Board Chair and reflects a policy to provide for stability, consistency and certainty in leadership--while also providing for a close to regular two-year term and avoiding a three or longer- year term. Ms. Keith also noted that--whatever the term of the Vice Chair-- he or she may be, but is not required to be, elected as Chair at the regular election; there is no bar to this.

The Committee Chair asked for a motion and a second to elect a Vice Chair of the Board under GV4 and R13-126 for the Board's approval on the Consent Agenda.

Board Chair Brown made a motion to approve GV4 and Resolution R13-126 with Trustee Scott as Vice Chair. In so doing, Chair Brown noted that Trustee Scott is one of the present longest serving Trustees, having been appointed to a second term. He brings a wealth of experience and success from the private sector as well as having valuable experience with UF's and other universities' governance and health affairs endeavors. Chair Brown also recognized the generous financial support of the University by Trustee Scott, which is one of the important roles of board members. Trustee Roberts seconded the motion. The Committee members expressed a consensus of support for the election of Trustee Scott.

As a consensus had already been expressed, Chair Scott asked for any further discussion and then for all in favor—and any opposed—to the motion, which passed unanimously. Trustee Scott thanked the Committee for their vote of support and said it is an honor to be put forward for election and that he is looking forward to the opportunities and challenges the University will have in the next five years, particularly the selection of a new President to lead the University and the initiatives to bring the University to top-ten status for public research universities.

The Committee next considered agenda Item GV2 - Conforming Amendments to University of Florida Board of Trustees Bylaws

GV2. Conforming Amendments to the Board's Bylaws

The Chair asked Ms. Keith to summarize GV2, Conforming Amendments to the Board's Bylaws. Ms. Keith explained that the amendments are to Section 6.5 of the Bylaws—Appearances Before the Board:

- A bit more detail is provided about how to request an appearance and how appearances are approved and conducted—which is helpful to those making a request--- and conforms with the Board's longstanding practices and applicable law.

- The Board has welcomed public comment on matters on the agenda, and has followed the time limits and other conventions specified to both accommodate comment and complete the business of meetings.

After a brief discussion, Chair Scott asked for a motion to approve GV2—Conforming Amendments to the Board’s Bylaws-- for the Board’s approval on the Consent Agenda, which was made by Trustee Brown and seconded by Trustee Roulhac. He asked for any discussion—and then, all in favor—any opposed—to the motion, which passed unanimously.

GV3. President’s Strategic Priority Goals

Chair Scott next turned to GV3—the President’s Strategic Priority Goals-- and noted:

- President Machen’s excellent accomplishments over his 10 years leading the University were reviewed in detail at the June 2013 Committee and Board meetings.
- At this time, the Committee is being asked to endorse President Machen’s goals for the remainder of his presidency.
- At the September 2013 Board Retreat, President Machen presented a comparison of UF to other Association of American University-public research universities under a number of metrics, and outlined his plan to focus on (1) number of faculty awards and (2) number of faculty who are members of the National Academies--as areas where UF should be able to enhance its performance, and (3) the six-year graduation rate and (4) percentage of students in the top 10% of their graduating high school class--as additional areas where there is potential to enhance UF’s performance.
- The Board reviewed this plan favorably.
- The Committee is being asked to endorse Board Chair Brown’s and President Machen’s plan for the President to work on making progress in these areas as his focus and goals for the remainder of his Presidency.
- President Machen commented that, with a fixed term remaining for him, the focus on these goals, all of which relate to the University’s preeminence initiative-- is the best focus for his efforts.

Chair Scott asked for a motion to approve GV3—the President’s Strategic Priority Goals-- for the Board’s approval on the Consent Agenda, which was made by Trustee Brown and seconded by Trustee Roberts. He asked for any discussion—then, all in favor—any opposed—to the motion, which passed unanimously.

The following Discussion/Informational Items were addressed by the Committee:

6.0 Discussion/Informational Items

Chair Scott asked Ms. Keith to address the discussion items.

6.1—Update on Category 1 DSO Presentations.

Ms. Keith noted that the Governance Committee had endorsed a plan to have Category 1 Affiliates meet with the Governance Committee at its March or June meeting, to see

whether or not this will enhance oversight and be a good use of the Committee's time— or whether the existing oversight and controls are adequate.

- The CEO of the Affiliate, accompanied by the UF Trustee serving on the Affiliate Board, will make the presentation.
- Ms. Keith uploaded a draft form of Presentation Format/Outline for use by the Affiliates so that there is some consistency and structure to the presentations.

A discussion ensued during which President Machen said he thinks the Board is taking a good and significant step forward to provide for Board oversight of the affiliated organizations. Trustee Scott seconded Dr. Machen's thoughts on this point. Trustee Roberts said that she also supports this initiative but cautioned that the Board avoid micro-management of the activities of well-run affiliates. Trustee Scott noted that the responsibility of the Board should not be the operations of the affiliates and added that he thinks it would be beneficial to have an outside expert in board governance make a presentation to the Board at the February retreat on Trustee oversight and responsibilities. Trustee Thomas suggested that each organization include measurable goals in its presentation of short and long-term objectives, so that the organization can periodically report back. Ms. Keith said the presentation outline will be modified to reflect this point. Trustee Roulhac suggested that the presentation regarding Audit Committees be modified to include information on the Committee's composition, how frequently audits are conducted, and a report on how the organization is responding to any recurring concerns. Ms. Keith noted that the affiliated entity audits are reviewed by the Board's Audit Committee, and the presentation outline will be modified to reflect Trustee Roulhac's suggestions. Trustee Brown closed the discussion by noting that he thinks this initiative is an important step forward in the Board's oversight. He emphasized that affiliated organizations have significant impacts on the University's brand identification and marketing initiatives.

6.2—Update on Affiliate Insurance Review.

Ms. Keith asked Senior Counsel Michael Ford, to update the Committee on the Review of Affiliate Insurance Coverage. Mr. Ford noted:

- We issued a survey to each Affiliate, with a December 15th return date, asking for information about the types and amounts of coverage. We will follow up with any Affiliates for which additional information may be needed.
- Randy Jenkins, the Director of the Self Insurance Program which provides UF's and Shands' medical liability coverage and has deep and broad knowledge of the insurance industry, will assist us in reviewing the responses to determine whether there are any gaps in type or amount of coverage.
- The staff that deals with insurance for the Athletic Association, the Foundation and Shands will also be asked to participate on our internal task force.
- Trustee Thomas asked what benchmark information would be utilized. Mr. Ford said that our initial consultation will be with Randy Jenkins due to his extensive experience. With Randy Jenkins' assistance, we will determine whether any outside advice is needed.

- Florida statutory protections for voluntary service on charitable corporation boards and sovereign immunity will be factors on needed insurance.
- We are aiming to have a report to the Committee by June.

7.0 New Business

The Committee did not discuss any New Business at the meeting.

8.0 Adjournment

After asking for any further discussion and hearing none, Chair Scott asked for a motion to adjourn, which was made by Trustee Thomas and a second which was made by Trustee Roulhac, and, with no further discussion desired, the motion was passed unanimously and the Governance Committee meeting was adjourned at 11:17 a.m. EST.

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES, COMMITTEE ON GOVERNANCE

**Questionnaire and Outline For Category 1 Affiliated Organization* Presentations
at the March or June 2014 UF Board of Trustees Committee On Governance Meeting**

NOTE: Please return this form to Becky Holt in the UF Office of the Vice President and General Counsel, at bholt@ufl.edu by February 15, 2014. Concise but complete information is appreciated.

At the March or June UF Board of Trustees Committee on Governance meeting, each Affiliate’s CEO will be scheduled to make a 10 minute presentation highlighting information from the **red numbered questions**. Then, for ~15 minutes, the Governance Committee will engage in discussion with the Affiliate CEO and UF Trustee on the Affiliate’s Board. **Please call Jamie Lewis Keith, UF Vice President and General Counsel, or Mike Ford, Senior University Counsel, with any questions or for assistance (352-392-1358).**

1. Provide the name and mission of the organization, including scope and nature of major activities. Please include a description of the relationship of the organization’s activities to UF’s mission of education, research and service. University of Florida Development Corporation (UFDC) – For the past half-century commercial scientific research has been carried out in research “parks”: remote, internally focused environments. This is no longer the only model for research development. In the highly competitive world of scientific research, people want to work and live in highly connected communities. Innovation Square is committed to seeing this vision become a reality. By closely aligning the need for a research district with the vision and goals of the University of Florida and the City of Gainesville, this plan puts in place a clear framework for development within which opportunities for employment will emerge, capitalizing on the strength of the workforce in the region, and ultimately where research and researchers will thrive. The primary goal of UFDC and Innovation Square is to grow “jobs” and grow the economy in our area and in our state. Creating an eco-system that supports and sustains creativity and the entrepreneurial spirit is the ultimate mission.

2. Provide the following governance information.

a) Directors:

- Total Number of Seats (or range if Bylaws provide minimum and maximum membership): 3-5
- Manner of Appointment/Election/Removal: Ex-officio members specified in Bylaws; appointment of additional directors by UF President. Non ex-officio directors may be removed by majority vote of Board of Directors. Any director may be removed for cause by UF President after consultation with Board of Directors.

• Number of Ex Officio Seats: 3

For Each Affiliate Director/Trustee Currently Serving Ex Officio:

<u>Name</u>	<u>Entity Tied To Ex Officio Role</u>
<u>C. David Brown, II</u>	<u>UF BOT</u>
<u>Winfred M. Phillips</u>	<u>UF President’s designee</u>
<u>Brad Pollitt</u>	<u>Employee – Shands Teaching Hospital and Clinics, Inc.</u>
<u>Danny Ponce</u>	<u>UF President’s designee</u>

b) Key Management Personnel, Including CEO and CFO:

<u>Name</u>	<u>Title</u>	<u>Short Professional Biography</u>
<u>Winfred M. Phillips</u>	<u>President</u>	<u>See attachment</u>

c) Audit Committee:

- Number of Seats: 4
- Manner of Appointment: The Board of Directors constitutes the Audit Committee

- Chair:
Name _____ Areas of Relevant Professional/Other Expertise

C. David Brown, II _____ see attachment

- Frequency of Meetings: As needed
- Name of Outside Audit Firm: James Moore. Is the responsible audit partner rotated periodically? Yes X or No _____; If yes, at what intervals: Only 1 year audit cycle has been performed as of this date. Rotation will be determined at some future date.
- Does the Entity Board Receive/Review the 990? Yes X or No (explain _____)
Does the Outside Audit Firm Review Controls on Related Party Transactions? Yes X – as part of the annual audit. No _____
- Identify/Explain How Any Outstanding Significant Recurring Audit Issues Are Being Addressed:
There are no recurring audit issues, as there has been only 1 year audit cycle performed.

3. Finances—Please attach an overview of:

a) Budgeted Revenue and Expenses – Annual Budget & Expenditures Report attached.

b) Principal Sources of Income – Refer to Annual Budget & Expenditures Report.

c) Principal Expenditures (and relationship to UF’s mission) – Refer to Annual Budget & Expenditures Report. The expenditures of University of Florida Development Corporation support the linking of University of Florida research with the Gainesville’s innovation community.

d) If There Is A Board Finance Committee, List Chair:

- Name _____ Areas of Relevant Professional/Other Expertise

Frequency of Meetings: _____

e) How Are Investments Managed (internal investment committee, UFICO, other)? N/A

- If there Is A Board Investment Committee, List Chair:

Name _____ Areas of Relevant Professional/Other Expertise

Frequency of Meetings: _____

- If UFICO Does **Not** Manage Investments, Investment Committee Members:

Name _____ Areas of Relevant Professional/Other Expertise

4. Does the organization have its own employees? ___ yes X no. If the organization has its own employees is the full Board or the Compensation Committee responsible for IRS Intermediate Sanctions review and approval of compensation for those (a) in a President/CEO/Chief Operating Officer role (person, regardless of title, with ultimate responsibility for overseeing management of the entire organization), (b) in a Treasurer/CFO role (person, regardless of title, with ultimate responsibility for managing the finances of the entire organization), and (c) Others with substantial influence over the affairs of the entire organization (e.g., one who manages a part or activity that represents a substantial portion of the activities, assets, income or expenses of the organization as compared to the organization as a whole, and therefore has substantial influence over the organization)? The organization does not have its own employees. Shands Teaching Hospital and Clinics, Inc. employs the Director for Economic Development of Innovation Square and UF assigns its employees to serve this DSO, including as President.

a) If There Is A Board Compensation Committee, List Chair: N/A as DSO has no employees

- Name _____ Areas of Relevant Professional/Other Expertise

5. Identify and briefly describe the organization’s notable accomplishments over the past 5 years: UFDC has been in existence since July 1, 2012. The notable accomplishments are as follows:

- Master Plan completed for Innovation Square

- Marketing Plan completed
- Structural transfer of property from Shands to Innovation Square
- Utility infrastructure installed
- Road grid installed on square
- Recruited Mindtree, Mobiquity, CurtCo, Azalea, Gray-Robinson, Sears
- Development of Infinity Hall
- Partial rehabilitation of Ayers Technology Plaza
- Partnerships with local stakeholders to support Innovation Square
- Recruitment of luxury apartments, hotel, grocery store

6. Identify the organization's major strengths and opportunities and awareness of challenges--and related strategies/objectives:

Major Strengths:

- Association with the University of Florida
- Proximity to UF and downtown City of Gainesville
- Vision of economic growth
- Community buy-in and ownership of project
- UF Research and Commercialization of I.P.

Challenges:

- Resources

a) Include significant goals—with any metrics being used to track/report progress:

a) Key Goals/Metrics For the Next Year:

b) Key Goals/Metrics For the Next 5 Years:

c) Key Goals/Metrics For the Next 10 Years:

UFDC goals are to create an urban community thru public/private partnerships that will grow the local economy and create an eco-system of support that will increase jobs and commercialize UF research. UFDC will foster the development and improvement of the lands and properties it manages, evaluate new properties for development and attract/recruit industry partners that will grow the local economy with jobs.

*University of Florida Foundation, Inc.; University of Florida Investment Corporation; The University Athletic Association, Inc./Gator Boosters, Inc. (joint presentation—please provide separate questionnaires); Shands Teaching Hospital and Clinics Inc./Shands Jacksonville Medical Center, Inc./Shands Jacksonville Healthcare, Inc. (joint presentation—please provide separate questionnaires); University of Florida Research Foundation, Inc.; University of Florida Development Corporation.

WINFRED M. PHILLIPS

Dr. Winfred M. Phillips, Senior Vice President and Chief Operating Officer, Professor of Mechanical Engineering, and Don and Ruth Eckis Professor of Biomedical Engineering at the University of Florida, September 6, 2011-present. President of the University of Florida Research Foundation, July 1, 1999-December 31, 2013. Currently a member of the University of Florida Athletic Association Board of Directors and the University of Florida Investment Corporation Board of Directors. Vice President for Research and Director at the University of Florida from July 1, 1999-September 5, 2011. Dean of the Graduate School at the University of Florida from June 30, 1999 - February 1, 2004. Dean of Engineering and Associate Vice President at the University of Florida from August 1988 - June 1999.

He was Professor of Mechanical Engineering and Head of the School of Mechanical Engineering at Purdue University from 1980-1988; Associate Dean for Research, College of Engineering at The Pennsylvania State University from 1979-1980; Professor of Aerospace Engineering at The Pennsylvania State University from 1978-1980; Acting Chairman for the Intercollegiate Bioengineering Program at The Pennsylvania State University from 1978-1979; and Visiting Professor at the University of Paris from 1976-1977.

Dr. Phillips received his BSME degree from Virginia Polytechnic Institute in Mechanical Engineering, and MAE and DSc degrees from the University of Virginia in Aerospace Engineering.

He is a member of the following professional societies: Fellow, American Society of Mechanical Engineers [Board of Governors, 1994-98, President, 1998-99]; Fellow, American Association for the Advancement of Science; Fellow, American Society for Engineering Education [Past Chair, National Engineering Deans' Council and President, 1996-97]; Fellow, Accreditation Board for Engineering & Technology, Inc. [President, 1995-96]; Chair, Washington Accord; Fellow, American Astronautical Society; Fellow, American Institute for Medical and Biological Engineering [Chair, College of Fellows, 1994-95, President, 1996-97]; Fellow, Biomedical Engineering Society; Fellow, The New York Academy of Sciences; Fellow, Royal Society for the Arts; American Society for Artificial Internal Organs [Board of Trustees, 1982-92, Secretary-Treasurer, 1985-87, President, 1988-89]; American Physical Society; Fellow, American Institute for Aeronautics and Astronautics; Licensing Executives Society, Inc.; Society of Research Administrators International; International Society of Biorheology and Society of Automotive Engineers.

Dr. Phillips is a member of the Golden Key National Honor Society, Sigma Xi, Tau Beta Pi, Pi Tau Sigma, Phi Kappa Phi and Sigma Gamma Tau.

Dr. Phillips received Honorary Membership for the American Society of Mechanical Engineers, the American Society of Mechanical Engineers Ralph Coats Roe Medal, the Florida Trend's 2005 CEO to Watch List, the Southeastern Consortium for Minorities in Engineering Global Messenger Award, the American Society for Engineering Education Benjamin Garver Lamme Award, the American Society of Mechanical Engineers Dedicated Service Award, the Linton E. Grinter Distinguished Service Award from the Accreditation Board for Engineering and Technology, and the National Engineering Award from the American Association of Engineering Societies. He was named Distinguished Hoosier and Sagamore of the Wabash by the Governor of Indiana for distinguished service to the State. He serves on the Enterprise Florida Board; and has served on the Board of Directors of Oak Ridge Associated Universities; as a consultant to numerous industries, universities, and the National Institutes of Health and State Education Boards; corporate director; and reviewer and member of the editorial boards for a number of journals in Mechanical Engineering and Bioengineering. He has served as Chair of the Washington Accord for International Accreditation in Engineering, a member of the Southern Technology Council, the Engineering Directorate Advisory Committee of the National Science Foundation, the President's Committee on the National Medal of Science, the Academic Advisory Council for the Industrial Research Institute; and Governor appointee to the Indiana Boiler Board and the Florida High Technology & Industry Council. He has served as Chair of the Board of Governors of the American Association of Engineering Societies, and Chair of the Board of Directors of the Southeastern Consortium for Minorities in Engineering.

He is the author of over 180 research publications. His personal research and teaching interests include mechanical engineering, fluid mechanics and biomedical engineering.

C. David Brown, II – Chair



David Brown, a Florida native, graduated from the University of Florida in 1973 with a Bachelor of Science in Business Administration majoring in Accounting. In 1976, after serving in the United States Air Force, he attended the Holland Law Center and received his Juris Doctorate degree from the University of Florida College of Law in 1978. David joined Broad and Cassel in 1980 and has served as Managing Partner of the Orlando office since 1988. He became Chairman of Broad and Cassel, a preeminent statewide law firm, in 2000. The firm specializes in all aspects of commercial law serving the premier national and Florida business communities.

In service to the State of Florida, David was appointed to the Florida Transportation Commission from 1999 to 2004, where he served the Commission as Chairman from 2000 to 2003. Helping oversee the \$5 billion budget and restructuring the Department of Transportation served as an outstanding opportunity to focus on the infrastructure needs of the State. David also served on the Board of Trustees for the University of Florida from February 2004 to January 2008 and was reappointed in April 2010. He is an active member of the Florida Council of 100 serving on the Board of Directors and Executive Committee.

David is dedicated to enhancing Florida's economic future and his professional focus has been directed at organizing major corporate, real estate and government transactions that have a positive impact on the future of our state, including initiation of the State of Florida's successful efforts to recruit Scripps Research Institute in Palm Beach County and more recently, the Burnham Institute in Orange County, Florida. With the combined investment of state and local funds of approximately \$1 billion, David looks forward to the addition of another leg to the economic diversity of the State.

In 2000, Mr. Brown became a member of Caremark's (CMX) Board of Directors and chaired the Governance Committee. After completing a merger with CVS, Mr. Brown now serves on the Board of Directors for CVS/Caremark and is a member of their Executive Committee. Since 2006, he has served on Rayonier's (RYN) Board of Directors and is currently a member of the Audit Committee and the Compensation and Management Development Committee.

David's professional career has been focused on domestic and international commercial transactions. He has led billion dollar transactions and financings and has organized some of the largest real estate developments both in Florida and other parts of the country. Currently, working on large developments in the Caribbean and Dubai, David continues to enjoy the challenges of the multifaceted aspects of large scale projects.

Annual Budget and Expenditure Report Direct Support Organization

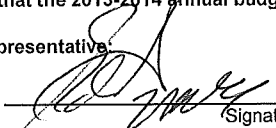
Name of Organization: University of Florida Development Corporation
 For Annual Budget Period: July 1, 2013 - June 30, 2014

Method of Budget Preparation (Indicate One): Cash

	Actual 2011-2012	Budgeted 2012-2013	Actual 2012-2013	Budgeted 2013-2014
Beginning Balance (Cash or Net Assets)		\$ -	\$ -	\$ 18,983.61
Revenue/Receipts Reported by Source of Funds:				
Sales of Goods & Services				
Rent			\$ 15,870.35	
Grant			\$ 950,000.00	
Contributions/Donations				
Investment Income/Interest Earnings				
Licensing & Royalty Fees				
Other (Specify):				
Sales Tax Allowance			\$ 6.12	
Total Revenues/Receipts	\$ -	\$ -	\$ 965,876.47	\$ -
Expenditures for Salaries/Wages & Benefits-DSO Employees				
Other Operating Expenditures (Specify):				
Professional fees and other services			\$ 29,517.68	\$ 10,889.00
Utilities			\$ 1,021.58	
Memberships and dues			\$ 61.25	
Insurance			\$ 103.52	
Lease/rental			\$ 4,420.20	
Supplies			\$ 4,221.22	
Other operating expenses			\$ 1,260.43	
Construction Expenditures (Specify Project):				
Total Expenditures	\$ -	\$ -	\$ 40,605.88	\$ 10,889.00
Transfers to University of Florida:				
For Salary Supplements, Compensation and Benefits				
For Other Support of the University				
Other Transfers (Specify):				
Transfer from University of Florida			\$ (2,588,713.02)	
Transfer to Innovation Square			\$ 3,500,000.00	
Transfer from Innovation Square			\$ (5,000.00)	
Total Transfers	\$ -	\$ -	\$ 906,286.98	\$ -
Ending Balance	\$ -	\$ -	\$ 18,983.61	\$ 8,094.61

I certify that the 2013-2014 annual budget has been approved by the DSO Governing Board.

DSO Representative:



 Signature

Name: Ed Poppell
 Title: Director for Economic Development

Contact:

Name: Catherine Joiner
 Phone: 352-294-2725
 E-mail: katejoiner@windstream.net

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES, COMMITTEE ON GOVERNANCE

**Questionnaire and Outline For Category 1 Affiliated Organization* Presentations
at the March or June 2014 UF Board of Trustees Committee On Governance Meeting**

NOTE: Please return this form to Becky Holt in the UF Office of the Vice President and General Counsel, at bholt@ufl.edu by February 15, 2014. Concise but complete information is appreciated.

At the March or June UF Board of Trustees Committee on Governance meeting, each Affiliate’s CEO will be scheduled to make a 10 minute presentation highlighting information from the **red numbered questions**. Then, for ~15 minutes, the Governance Committee will engage in discussion with the Affiliate CEO and UF Trustee on the Affiliate’s Board. **Please call Jamie Lewis Keith, UF Vice President and General Counsel, or Mike Ford, Senior University Counsel, with any questions or for assistance (352-392-1358).**

1. Provide the name and mission of the organization, including scope and nature of major activities. Please include a description of the relationship of the organization’s activities to UF’s mission of education, research and service.

The University of Florida Investment Corporation (“UFICO”) was established by the Board of Trustees of the University of Florida (“UF”) in June 2004 to promote the educational purposes of UF by providing investment research, advice, counsel and management to UF and its affiliated organizations. The objectives for creating UFICO were: 1) to attract top-tier investment management talent; 2) to separate the investment management role from the fund raising and administrative functions of UF; and 3) to allow for the aggregation of the investable assets of all UF affiliates to generate economies of scale and enable better access to top-tier investment funds. Since its inception in June 2004, UFICO has entered into discretionary investment management agreements with nine UF affiliated investors and as of December 2013 has total assets under management of \$2.5 billion.

2. Provide the following governance information.

a) Directors:

- Total Number of Seats (or range if Bylaws provide minimum and maximum membership): 6-13
- Manner of Appointment/Election/Removal: Ex-officio positions are specified in the Bylaws; balance of the directors are appointed by the UF President. Appointed directors may be removed by majority vote of Board; any director may be removed for cause by UF President after consultation with Board of Directors.
- Number of Ex Officio Seats: 5

For Each Affiliate Director/Trustee Currently Serving Ex Officio:

<u>Name</u>	<u>Entity Tied To Ex Officio Role</u>
<u>Vacant</u>	<u>UF BOT</u>
<u>William Robinson</u>	<u>Shands Teaching Hospital and Clinics, Inc.</u>
<u>Matthew Fajack</u>	<u>UF Vice President and Chief Financial Officer</u>
<u>Thomas Mitchell</u>	<u>UF Vice President for Development and Alumni Affairs</u>
<u>Win Phillips</u>	<u>UF Sr. Vice President and Chief Operating Officer</u>

b) Key Management Personnel, Including CEO and CFO:

<u>Name</u>	<u>Title</u>	<u>Short Professional Biography</u>
<u>Edward Kelly</u>	<u>Interim President and COO</u>	<u>See below</u>

Mr. Kelly joined UFICO in March of 2009 as the Chief Operating Officer. Mr. Kelly has overall responsibility for UFICO’s investment operations. Mr. Kelly previously served seven years as the Chief Financial Officer for Compass Advisors, LLC, an institutional investment consulting and asset management group with assets under management of over \$5b. Prior to Compass, Mr. Kelly

5. Identify and briefly describe the organization's notable accomplishments over the past 5 years:

Over the five year period ended December 31, 2013, UFICO has achieved a net annualized return of 9.2% for the UF Endowment, outperforming its benchmark return of 8.7% over the same period. The performance was also achieved with 20% less volatility (or risk) as compared to the benchmark returns over the same period.

6. Identify the organization's major strengths and opportunities and awareness of challenges--and related strategies/objectives:

a) Include significant goals—with any metrics being used to track/report progress:

- a) Key Goals/Metrics For the Next Year:
- b) Key Goals/Metrics For the Next 5 Years:
- c) Key Goals/Metrics For the Next 10 Years:

Major strengths of UFICO include:

- A well-seasoned staff of investment and investment operations professionals. The investment team members are all CFAs (Chartered Financial Analyst) with significant industry experience. The investment operations team includes two CPAs and has deep industry experience.
- A strong Board of Directors consisting of a majority of investment professionals with deep investment experience.

Major opportunities for UFICO include:

- Retaining and attracting top talented investment professionals to the Gainesville area.

The primary goal for UFICO is to achieve an annualized real rate of return of at least 4.7% over the long-term to preserve and enhance the purchasing power of the endowment and other invested funds.

The key metrics that UFICO uses to track its progress are:

- Measure long-term returns against a CPI + 4.7% Benchmark – The consumer price index (CPI) plus the average gross spending rate for the endowment. This is a measure of the purchasing power of the endowment over time considering the effects of inflation.
- Measure long-term returns against the UFICO Policy Benchmark – This is an asset-weighted composite index which represents a passive implementation of the Pool's strategic asset allocation.
- Measure returns against a custom peer group of other colleges & universities with a similar asset size and similar objectives.

*University of Florida Foundation, Inc.; University of Florida Investment Corporation; The University Athletic Association, Inc./Gator Boosters, Inc. (joint presentation—please provide separate questionnaires); Shands Teaching Hospital and Clinics Inc./Shands Jacksonville Medical Center, Inc./Shands Jacksonville Healthcare, Inc. (joint presentation—please provide separate questionnaires); University of Florida Research Foundation, Inc.; University of Florida Development Corporation.

University of Florida Investment Corporation
Statement of Activities
Year Ended June 30, 2013

	Actual	Budget	Increase/(Decrease)	
			Amount	%
Revenue				
Management Fee, Gross	\$ 2,879,551	\$ 2,879,551	\$ -	0%
Management Fee Rebates and Adjustments	(344,508)	-	(344,508)	-
Interest	1,979	2,000	(21)	-1%
Total Revenue	\$ 2,537,022	\$ 2,881,551	\$ (344,529)	-12%
Expenses				
Salaries, Benefits & Payroll Taxes	2,094,036	2,364,693	(270,657)	-11%
Services Purchased	7,500	7,500	-	0%
Travel	110,870	120,000	(9,130)	-8%
General Operating	352,089	389,358	(37,269)	-10%
Operating Reserve	-	-	-	-
Total Expenses	2,564,495	2,881,551	(317,056)	-11%
Increase in Net Assets	\$ (27,473)	\$ -	\$ (27,473)	-
Net Assets at June 30, 2012	563,387	563,387	-	0%
Net Assets at June 30, 2013	\$ 535,914	\$ 563,387	\$ (27,473)	-5%
Average Assets Under Management	\$ 2,044,473,899	\$ 2,074,000,000	\$ (29,526,101)	-1%
Annualized Fiscal YTD Expense Ratio in basis points	12.5	13.9		

University of Florida Investment Corporation
Statement of Financial Position
June 30, 2013

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Assets		
Cash and cash equivalents	991,787	1,172,077
Due from investment funds	35,141	49,932
Management fees receivable	143,189	134,245
Prepaid Expenses	13,577	13,577
Other current receivable	-	-
Total current assets	<u>1,183,694</u>	<u>1,369,831</u>
Management fees receivable, less current portion	329,076	305,173
Employee Retirement Plan	152,975	93,392
Computer Software	-	-
Furniture & Equipment	28,871	47,444
Leasehold Improvements	12,744	22,939
Total non-current assets	<u>523,666</u>	<u>468,948</u>
Total Assets	<u><u>\$ 1,707,360</u></u>	<u><u>\$ 1,838,779</u></u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	546,206	742,582
Deferred compensation	143,189	134,245
Total current liabilities	<u>689,395</u>	<u>876,827</u>
Long-term liabilities		
Deferred compensation, less current portion	329,076	305,173
Deferred compensation - 457(b) Plan	152,975	93,392
Total long-term liabilities	<u>482,051</u>	<u>398,565</u>
Unrestricted Net Assets	535,914	563,387
Total liabilities and net assets	<u><u>\$ 1,707,360</u></u>	<u><u>\$ 1,838,779</u></u>

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES, COMMITTEE ON GOVERNANCE

**Questionnaire and Outline For Category 1 Affiliated Organization* Presentations
at the March or June 2014 UF Board of Trustees Committee On Governance Meeting**

NOTE: Please return this form to Becky Holt in the UF Office of the Vice President and General Counsel, at bholt@ufl.edu by February 15, 2014. Concise but complete information is appreciated.

At the March or June UF Board of Trustees Committee on Governance meeting, each Affiliate's CEO will be scheduled to make a 10 minute presentation highlighting information from the **red numbered questions**. Then, for ~15 minutes, the Governance Committee will engage in discussion with the Affiliate CEO and UF Trustee on the Affiliate's Board. **Please call Jamie Lewis Keith, UF Vice President and General Counsel, or Mike Ford, Senior University Counsel, with any questions or for assistance (352-392-1358).**

1. Provide the name and mission of the organization, including scope and nature of major activities. Please include a description of the relationship of the organization's activities to UF's mission of education, research and service.

University of Florida Research Foundation, Inc. (UFRF)

The Research Foundation's mission is to assist the University of Florida in the funding of research and development through research awards, grants, and other contractual arrangements, and in the commercialization of intellectual properties, which include inventions, discoveries, processes and work products. When inventions and other intellectual property of the University are commercialized through UFRF, the proceeds are distributed pursuant to the University's Intellectual Property Policy (<http://www.generalcounsel.ufl.edu/regulations-and-policies/docs/UF-IP-Policy-Updated.pdf>).

The proceeds that are distributed to UFRF are reinvested in further research and commercialization efforts. This directly supports the institutional research mission by providing strategic investments in critical and promising research endeavors that enable the University to develop creative breakthroughs and discover new possibilities. At the same time, the objective of looking for ways to commercialize intellectual property supports the institution's service mission by continuously looking for ways to share the benefits of these research discoveries for the public good.

In FY 2013, the Research Foundation provided the University over \$8M to promote, support, and encourage institutional research activities. This included matching support for the Clinical and Translational Science Institute (CTSI), faculty startup support, Research Professorship awards, research infrastructure support and other strategic research support. UFRF also provided over \$4M to advance commercialization efforts designed at bringing more intellectual property to market, so that income from those discoveries can be reinvested in additional research.

2. Provide the following governance information.

a) Directors:

- Total Number of Seats (or range if Bylaws provide minimum and maximum membership): 12
- Manner of Appointment/Election/Removal: Ex-officio members are specified in the Bylaws; 3 nominated by UF President and elected by Board. Non ex-officio directors may be removed by majority vote of Board; any director may be removed for cause by UF President after consultation with Board of Directors.

- Number of Ex Officio Seats: 9
For Each Affiliate Director/Trustee Currently Serving Ex Officio:

<u>Name</u>	<u>Entity Tied To Ex Officio Role</u>
Carolyn Roberts	UF BOT
J. Bernard Machen	UF President
David S. Guzick	UF Senior Vice President for Health Affairs
Jack Payne	UF Senior Vice President for Agriculture and Natural Resources
Joseph Glover	UF Senior Vice President for Academic Affairs and Provost
David Norton	UF Vice President for Research
Curtis Reynolds	UF Vice President for Business Affairs
Cammy Abernathy	Dean, UF College of Engineering
Paul D'Anieri	Dean, UF College of Liberal Arts and Sciences

b) Key Management Personnel, Including CEO and CFO:

<u>Name</u>	<u>Title</u>	<u>Short Professional Biography</u>
David Norton	President	See attachment
Mike McKee	Treasurer	See attachment
David Day	Director, Tech Licensing	See attachment
George Kolb	Secretary	See attachment

c) Audit Committee:

- Number of Seats: 3
- Manner of Appointment: Appointment by President of the organization and approved by Board
- Chair:

<u>Name</u>	<u>Areas of Relevant Professional/Other Expertise</u>
Joelen Merkel	See attachment
- Frequency of Meetings: at least twice yearly
- Name of Outside Audit Firm Purvis Gray & Co.. Is the responsible audit partner rotated periodically? Yes or No X; If yes, at what intervals: (*RFP in process – Feb 2014*)
- Does the Entity Board Receive/Review the 990? Yes X or No (explain)
Does the Outside Audit Firm Review Controls on Related Party Transactions? Yes X No
- Identify/Explain How Any Outstanding Significant Recurring Audit Issues Are Being Addressed:
none

3. Finances—Please attach an overview of:

- Budgeted Revenue and Expenses
- Principal Sources of Income
- Principal Expenditures (and relationship to UF's mission)
- If There Is A Board Finance Committee, List Chair:
 - | <u>Name</u> | <u>Areas of Relevant Professional/Other Expertise</u> |
|-------------|---|
| Mike McKee | See attachment |

 Frequency of Meetings: quarterly

e) How Are Investments Managed (internal investment committee, UFICO, other)? UFICO

- If there Is A Board Investment Committee, List Chair:

<u>Name</u>	<u>Areas of Relevant Professional/Other Expertise</u>
n/a	

 Frequency of Meetings: n/a
- If UFICO Does **Not** Manage Investments, Investment Committee Members:

<u>Name</u>	<u>Areas of Relevant Professional/Other Expertise</u>
n/a	

4. Does the organization have its own employees? ___ yes X no. If the organization has its own employees is the full Board or the Compensation Committee responsible for IRS Intermediate Sanctions review and approval of compensation for those (a) in a President/CEO/Chief Operating Officer role (person, regardless of title, with ultimate responsibility for overseeing management of the entire organization), (b) in a Treasurer/CFO role (person, regardless of title, with ultimate responsibility for managing the finances of the entire organization), and (c) Others with substantial influence over the affairs of the entire organization (e.g., one who manages a part or activity that represents a substantial portion of the activities, assets, income or expenses of the organization as compared to the organization as a whole, and therefore has substantial influence over the organization)? UF assigns its employees to serve this DSO, which does not have its own employees.

a) If There Is A Board Compensation Committee, List Chair:

- Name Areas of Relevant Professional/Other Expertise
n/a

5. Identify and briefly describe the organization's notable accomplishments over the past 5 years:

UFRF has provided \$40M in research and development support to the University over the past five years, including \$23M in matching support for CTSI as well as contributions toward the UF Research and Academic Center in Lake Nona, Innovation Hub, Big Data, Gran Telescopio Canarias, UFRF Professorship awards, and many faculty startup and equipment support packages.

6. Identify the organization's major strengths and opportunities and awareness of challenges--and related strategies/objectives:

Strengths – future royalty stream is projected to be fairly stable; all remaining bond debt to be paid off 09/2014

Opportunities – growing portfolio of intellectual property available for commercialization

Awareness of challenges:

Until the next significant licensing breakthrough, royalty income is heavily dependent on Gatorade (given the loss of patent protection for Trusopt).

Investment returns are a significant factor in UFRF's ability to continue current level of support to UF.

a) Include significant goals—with any metrics being used to track/report progress:

a) Key Goals/Metrics For the Next Year: Return at least \$8M/yr in Research and Development awards to UF;

b) Key Goals/Metrics For the Next 5 Years: Return at least \$8M/yr in Research and Development awards to UF; Achieve average annual growth of 3% in Total Unrestricted Net Assets

c) Key Goals/Metrics For the Next 10 Years: Return at least \$8M/yr in Research and Development awards to UF; Achieve average annual growth of 3% in Total Unrestricted Net Assets

*University of Florida Foundation, Inc.; University of Florida Investment Corporation; The University Athletic Association, Inc./Gator Boosters, Inc. (joint presentation—please provide separate questionnaires); Shands Teaching Hospital and Clinics Inc./Shands Jacksonville Medical Center, Inc./Shands Jacksonville Healthcare, Inc. (joint presentation—please provide separate questionnaires); University of Florida Research Foundation, Inc.; University of Florida Development Corporation.



David Norton Bio

David P. Norton, Ph.D., became vice president for research at the University of Florida in January 2012. He had served as associate dean for research in the UF College of Engineering since 2009. He is also a professor in the Department of Materials Science and Engineering.

Dr. Norton came to UF in 2000 after 11 years at Oak Ridge National Laboratory. His research interests primarily focus on electronic, photonic and magnetic thin film materials. He has published more than 300 articles in refereed journals and books, presented numerous invited papers and lectures at national and international conferences, and organized conferences and workshops in the areas of electronic oxides and laser processing. He is a Fellow of the American Vacuum Society, the American Physical Society and the American Association for the Advancement of Science, and a member of the Materials Research Society and the Electrochemical Society.

Dr. Norton conducted his undergraduate and graduate studies within the Department of Electrical and Computer Engineering at Louisiana State University, receiving his doctorate in 1989.

FSOA Commemorative Gallery

Fisher School of Accounting
Warrington College of Business Administration[About
the Gallery](#)[History of
Accounting at UF](#)[History of
Distinguished Alumni](#)[History of
Accounting in Florida](#)

Joelen K. Merkel

[«more alumni](#)**In Brief:***Joelen K. Merkel, CPA,
Corporate Executive
UF Alumna 1973*

1973: BSBA in Accounting with honors, UF
 1973: Began career at Arthur Andersen
 1976: Assistant Corporate Controller, Chris-Craft Industries, Inc.
 1980: Appointed Treasurer of Chris-Craft
 1991: Promoted to Vice President & Treasurer of Chris-Craft
 1992: Elected to the Board of Directors of BHC Communications, Inc., an American Stock Exchange company
 1999: Promoted to Senior Vice President & Treasurer of Chris-Craft
 2001: Consultant, News Corp & Fox TV
 2001: UF Board of Trustees
 2004: Joelen K. & Robert G. Merkel Conference Room is dedicated
 2004: Keynote Speaker, WCBA May Graduation
 2007: Member, FAMU Task Force
 2008: Keynote Speaker, FSOA's 1st Women's Symposium



2008, the keynote address for FSOA's first Women in Accounting Symposium was delivered by Joelen Merkel

|◀ - 01 02 03 04 05 06 07 08 + ▶|

Biography***"Work hard, work honestly and bring pride to UF"***

Joelen K. Merkel began her education and career in accounting at a time when there were no female professors and very few female professional staff at the Big 8 accounting firms. Her professional successes have set an example not only for women in accounting, but for all accounting professionals. She has worked hard and honestly and has brought pride to UF and the Accounting profession.

The Early Years...

Mrs. Merkel graduated with honors from the University of Florida with a Bachelor's Degree in Accounting in 1973.

CPA, Businesswoman, Leader...

Her career began at Arthur Andersen & Co. in Miami where she worked as a CPA for three years. In 1976, she took a position as Assistant Corporate Controller with Chris-Craft Industries, Inc., a New York Stock Exchange company, moving from public accounting to industry and starting her 25-year career at that company. In this time, Mrs. Merkel reached the position of Senior Vice President and Treasurer of Chris-Craft, and also Senior Vice President, Treasurer and a Director of BHC Communications, Inc., an American Stock Exchange company, majority owned by Chris-Craft, until 2001. At that time Chris-Craft was acquired by News Corporation and Fox Television Stations and Mrs. Merkel served as a consultant for them for five years.

Giving Back...

In June 2001 she was appointed by the Governor to the University of Florida's inaugural Board of Trustees where she serves as chair of the Board's Audit and Operations Review committee. She is a member of the Board of Directors of the UF Foundation, serving on the Finance Committee and she is a member of the Board of Directors of the UF Research Foundation, serving on the Audit Committee. Additionally, she is a member of the Advisory Council for the University of Florida's Fisher School of Accounting and is a member of the Warrington College of Business Administration Advisory Council. Joelen is also chair of the Audit Committee of the Norton Art Museum in W. Palm Beach. In May, 2004, Joelen was the keynote speaker for the Warrington College of Business graduation. In 2007, the Board of Governors chair appointed her to the Task Force on FAMU Finance and Operational Control Issues. In 2008, Mrs. Merkel was the keynote speaker at the Fisher School of Accounting's first Women in Accounting Symposium.

Joelen and her husband, Bob, also a Florida alumnus, are members of the Bull Gator Club. The Fisher School of Accounting dedicated the Joelen K. and Robert G. Merkel Conference Room in Gerson Hall in April, 2004 in their honor. Their son, Ryan, graduated cum laude from the Warrington College of Business in 2008.



David L. Day joined the Office of Technology Licensing at the University of Florida as Director on April 2, 2001, where he oversees the commercialization efforts of all UF technologies. Mr. Day also serves as Director of the Sid Martin Biotechnology Development Incubator in Alachua, FL, since 2003. Mr. Day serves on the Board of Directors of BioFlorida, the McKnight Brain Institute Advisory Panel, the Board of Directors Executive Committee of the Florida Research Consortium, and the Board of Directors Executive Committee of the Southeastern Bio Investors Forum. David received a Master of Business Administration from the University of Alabama in 1987 and has a Masters of Library and Information Studies from the University of Alabama, 1977. David was a founding member of the Biotechnology Association of Alabama, where he held the position of Vice President and member of the Board of Directors.

The University of Florida is the top-performing public institution at transferring its research to the marketplace, according to a study by the Milken Institute. In a report by the California-based economic think tank titled “Mind to Market: A Global Analysis of University Biotechnology Transfer and Commercialization,” UF ranked fifth overall on the Institute’s University Technology Transfer and Commercialization Index. UF’s Office of Technology Licensing annually executes about 75 licenses and options and is involved in the creation of about 10 new startups based on UF technologies. In the latest fiscal year, UF spinoffs raised more than \$100 million of investment capital.



Michael V. McKee, C.P.A.
Assistant Vice President and University Controller

Michael McKee currently serves as the Assistant Vice President and University Controller at the University of Florida. In this role as Director of the Finance and Accounting Division Mr. McKee oversees and provides leadership for several departments including payroll, tax, student financial services, disbursements, treasury management, general accounting, asset management, contract and grant cost analysis, operational controls and efficiencies and Gator Business Administrator Services. He also serves as the Treasurer of the University of Florida Research Foundation; Vice-President of University Village Apartments, Inc.; Chair of the University Property Management Committee; and is a member of several other University committees.

Mr. McKee earned his B.S. degree in Business Administration from the University of Florida in 1977 and began his career with the Office of the Auditor General where he served for 19 years before coming to UF the first time as an Assistant Controller. Prior to assuming the Controller position at the University in 2003, Mr. McKee served as Chief Finance Officer (CFO) at the St. Johns River Water Management District.

Mr. McKee is a Certified Public Accountant and a Certified Government Financial Manager (Inactive). He is a member of the American Institute of Certified Public Accountants, the National Association of College and University Business Officers, the South East Association of College Cost Accountants, and the Florida Government Finance Officers Association.



George C. Kolb, Jr.
Director, Business Services
Office of Research

George Kolb is Director of Business Services for the Office of Research at the University of Florida. His responsibilities include the overall direction, coordination and management of the Office of Research's operating budget and Sponsored Research revenues consisting of indirect cost earnings, interest income and other sources. He also serves as Secretary for the UF Research Foundation, and is directly responsible for its financial management and operating budget.

George graduated with honors with a Bachelor's Degree in Accounting from the University of Florida in 1992, and began his career with the University of Florida Police Department. He later earned his Master's Degree in Decision and Information Sciences from the University of Florida in 2003. Over the past 21 years, he has held progressively responsible positions in a variety of settings, including academic, medical, administrative and core office units. His experience includes the areas of accounting, human resources, and information technology.

George was a member of the inaugural class of the Finance & Administration Academy (later renamed the UF Academy, now in its eleventh year), a leadership development program at the University of Florida. He has served on numerous search and other committees including the Budget Review Council, Faculty & Staff Benefits Committee, Parking Appeal Committee, and Sick Leave Pool Committee. He serves as a mentor in the Gator Business Administrator Services program, and has been Treasurer of the Blue Chips & Salsa investment club since co-founding the organization in 1997. He has served in local Scouting organizations since 2006 in roles as Treasurer, Committee Chair and Den Leader.

UNIVERSITY OF FLORIDA RESEARCH FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION
FOR SIX MONTHS ENDED December 31, 2013

	<u>Budget</u>	<u>Actual through</u>	<u>%</u>	<u>Actual through</u>
	<u>2013-2014</u>	<u>12/31/2013</u>	<u>of</u>	<u>12/31/2012</u>
			<u>Budget</u>	
Revenues				
Operating Revenues				
Royalties	\$ 20,500,000	\$ 10,431,765	50.9%	\$ 11,524,037
Licensing Fees and Options	1,500,000	1,482,209	98.8%	375,189
Reimbursements of Litigation, Patent & Licensing Costs	3,700,000	1,843,555	49.8%	1,679,177
Miscellaneous Operating Income	15,000	15,433	102.9%	11,424
Total Operating Revenues	25,715,000	13,772,962	53.6%	13,589,827
Costs of Royalties, Licenses and Grants				
Inventors' Allocations	\$ 2,050,000	\$ 1,273,064	62.1%	\$ 1,143,901
Inventors' Department Allocation	11,057,500	5,571,287	50.4%	6,008,286
Inventors' College Allocation	168,750	175,761	104.2%	63,091
Inventors' Program Allocation	225,050	196,785	87.4%	79,276
Patent & Licensing Costs	5,200,000	1,842,948	35.4%	1,639,755
Total Costs of Licenses and Grants	(18,701,300)	(9,059,845)	48.4%	(8,934,309)
Net Operating Revenues	7,013,700	4,713,117	67.2%	4,655,518
Expenses				
Operating Expenses				
Research and Development Awards				
Strategic Plans	\$ 2,500,000	\$ 288,637	11.5%	\$ 1,241,447
IACUC	5,000	2,120	42.4%	2,474
IRB	17,000	7,775	45.7%	9,175
N.I.H - Clinical and Translational Science Institute (CTSI)	2,700,000	565,195	20.9%	723,443
Animal Resources Capital Improvements - Health Center	500,000	0	0.0%	0
Professorship Awards	650,000	0	0.0%	0
Gatorade Research Allocations	1,800,000	444,173	24.7%	151,648
Research Travel	50,000	0	0.0%	0
Litigation Costs	1,400,000	416,053	29.7%	87,423
Other Program Support	1,075,000	43	0.0%	1,441,667
Total Research and Development Awards	(10,697,000)	(1,723,996)	16.1%	(3,657,277)
Technology License Expense				
Salary Expenditures	1,960,000	934,438	47.7%	878,364
Commercialization Fund	250,000	120,343	48.1%	84,630
Membership Dues	7,000	6,439	92.0%	6,136
Office Expenditures	27,500	3,780	13.7%	6,055
Marketing	113,450	47,822	42.2%	15,791
Moving Expenditures	10,000	4,252	42.5%	0
Travel	67,000	19,946	29.8%	36,261
Postage/Shipping	10,000	2,896	29.0%	2,079
Executive In-House Residency Program	50,000	0	0.0%	0
Subscriptions and Books	1,000	125	12.5%	0
Training	1,000	0	0.0%	0
Bad Debt Write Off Royalty & License Income	0	40,000		0
Bad Debt Write Off Legal Receivable	0	218,477		77,945
Total Technology License Expense	(2,496,950)	(1,398,518)	56.0%	(1,107,261)

Management Report
UNAUDITED

	Budget 2013-2014	Actual through 12/31/2013	% of Budget	Actual through 12/31/2012
Other Operating Expenses				
Salary Reimbursement	615,000	257,838	41.9%	250,958
Audit fees	40,000	27,000	67.5%	27,000
University Overhead Assessment RCM	360,000	375,049	104.2%	0
Computer Equipment & Supplies	195,000	38,023	19.5%	44,256
Research Publications	280,000	45,519	16.3%	43,227
Institutional Memberships Dues & Subscriptions	40,000	11,786	29.5%	9,720
Insurance	35,000	27,209	77.7%	27,667
Legal Fees (non-OTL)	25,000	0	0.0%	11,110
Office Expenditures and Supplies	10,000	1,547	15.5%	1,342
Travel & Events	10,000	809	8.1%	1,175
Total Other Operating Expenses	(1,610,000)	(784,780)	48.7%	(416,455)
Total Operating Expenses	(14,803,950)	(3,907,294)	26.4%	(5,180,993)
Operating Income	(7,790,250)	805,823	10.3%	(525,475)
Nonoperating Revenues (Expenses)				
Investment Income (Loss)	\$ 3,520,000	\$ 2,972,314	84.4%	\$ 1,934,077
Unrealized Gain (Loss)		4,388,848		2,599,793
Investment Expense	(700,000)	(301,037)	43.0%	(352,246)
Unexpended Program Support Returned to Sponsor		13,803		340,184
Orthopedics Expenses		(225,000)		0
Bond Expenses:				
Bonding Costs	(2,500)	(2,500)	100.0%	(2,500)
Bond Interest Expense	(342,838)	(174,500)	50.9%	(713,400)
Bond Amortization Expense				
Assessment Income for Bond Payments	2,300,000	2,300,000	100.0%	2,300,000
Miscellaneous Income		4,797		131,727
Net Nonoperating Revenues (Expenses)	4,774,662	8,976,725	188.0%	6,237,635
(Loss) Income Before Transfers	(3,015,588)	9,782,548	324.4%	5,712,160
Change in Net Assets	(3,015,588)	9,782,548	324.4%	5,712,160
Net Assets				
Net Assets Beginning of Year	91,579,839	91,579,838		88,585,011
Net Assets End of Year	\$ 88,564,251	\$ 101,362,386		\$ 94,297,171

	Actual through 12/31/2013	Actual through 12/31/2012
Designated Net Assets:		
Gatorade	56,524,129	49,327,599
Orthopedics Balance	2,757,388	3,031,022
Bond Repayment Fund.	0	4,692,129
Clinical Science Translation Institute Commitment Balance	12,735,657	15,121,831
Strategic Initiative Commitment Balance	2,038,000	1,462,500
Total Designated Net Assets	\$ 74,055,174	\$ 73,635,081
Total Undesignated Net Assets	\$ 27,307,212	\$ 20,662,090
Net Assets End of Year	\$ 101,362,386	\$ 94,297,171