

**CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.**

**Finance and Audit Committee  
Meeting Minutes  
October 27, 2014**

A meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on Monday, October 27, 2014 at the University of Florida, IFAS, CREC, Ben Hill Griffin Hall in Lake Alfred, Florida. The meeting was properly noticed and recorded. The meeting was called to order at 1:30 p.m. by Chairman Hugh Thompson. Roll was called and a quorum was present. Committee members participating were: Mr. Larry Black; Dr. Joe Joyce; Mr. Bob Stambaugh and Mr. Hugh Thompson. Mr. Joe L. Davis, Jr. was absent. Other participants were: Dr. Harold Browning; Ms. Brandi Goller; Mr. Alex Wheeler and Ms. Audrey Nowicki.

Mr. Black moved to accept the minutes of the September 28, 2014 Finance and Audit Committee meeting. Seconded by Mr. Stambaugh, the motion passed unanimously.

Mr. Thompson asked Mr. Wheeler to present and comment on the CRDF Audit for FYE June 30, 2014. Mr. Wheeler referred to page 5, explaining the financial reporting uses the 'indirect method' and reviewed edits to the previous draft audit. Mr. Black reminded him that at the last Finance and Audit Committee meeting a motion was made to include a note regarding the unexpended grant funds. Mr. Wheeler explained the complexity in how the number is calculated, considering some contracts funding projects have a receivable at the end of the fiscal year while other projects may have been paid in advance, depending on the source of funding. Mr. Thompson felt it was not necessary to report it in a separate note.

Mr. Black moved to recommend the Board accept the audit report as presented. Seconded by Mr. Stambaugh, the motion passed unanimously. Mr. Wheeler will also attend the Board of Directors meeting October 28<sup>th</sup> to present the audit overview and answer questions.

Mr. Thompson questioned the length of time it takes to complete the final audit. Mr. Wheeler explained that if all of the accounts payable for the previous fiscal year were received timely in July and August it would help expedite the audit. A suggestion was made to look at the Foundation's position on a quarterly basis. It might help at the end of the year. Mr. Black recalled that there has previous discussion regarding including long term liabilities in the audit. Mr. Thompson asked staff to work with the auditor to determine if accrual-based reporting provides a clearer picture. Mr. Wheeler will work with Ms. Goller to develop a model for an accrual-based quarterly financial summary.

With regard to the UF internal operational audit, we are expecting the site visit in December or early January. We have been advised that we should continue with procedural changes, which will be summarized to the UF auditors prior to the onsite visit.

Ms. Goller reviewed the September Financial Summary. Discussion ensued on reporting accrued expenses in the month accrued. Since payments are made the following month, a constant variance results. Mr. Thompson requested an additional element of the monthly financial summary to present current month activity against current-month projections.

Dr. Browning reviewed the approved FY 2014-15 budget projections. Depending upon future crop estimates for this season, it may be necessary to revise the box tax budget projections. The current

annual budget includes approximately \$300,000-400,000 of uncommitted funds for research delivery projects to cover new or expanded actions to provide solutions to HLB during the current year.

Dr. Browning reviewed the FY 2015-16 budget projections included with the meeting materials, noting that with the \$8 million Legislative funding proposed for FY 2015-16 current projections provide for \$4.7 million to invest in new research and delivery projects during the next fiscal year.

With no new business to report, the meeting was adjourned at 2:30 p.m.

Minutes submitted by Audrey Nowicki