

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

**Finance and Audit Committee
Meeting Minutes
January 26, 2015**

A meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on Monday, January 26, 2015, in the Ben Hill Griffin Hall Conference Room at the University of Florida, IFAS, CREC, 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; Mr. Bob Stambaugh (telephone); and Mr. Hugh Thompson (telephone). Mr. Joe L. Davis, Jr. and Dr. Joseph Joyce did not participate. Others participating were: Dr. Harold Browning; Ms. Brandi Goller; and Ms. Audrey Nowicki.

Mr. Black moved to accept the minutes of the October 27, 2014 meeting. Seconded by Mr. Stambaugh, the motion passed unanimously.

Mr. Thompson opened the meeting with discussion of the CRDF Form 990, outlining questions to entries on Form 990 and supporting documents for Ms. Goller to review with the accountant, Mr. Wheeler. Three specific questions on Form 990 were:

(1) Page 3 Part IV No. 6 - Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? No

(2) Page 4 Part IV No. 28 – Was the organization a party to a business transaction with one of the following parties:

- a. A current or former officer, director, trustee, or direct or indirect owner? No
- b. A family member of a current or former officer, director, trustee, or key employee? No
- c. An entity of which a current or former officer, director, trustee, or key employee was an officer, director, or trustee, or direct or indirect owner? No

Verify the accuracy of the above negative responses in light of contract payments to Southern Gardens Citrus Nursery.

(3) Schedule I Part II Grants and Other Assistance to Government and Organizations in the United States: verify the accuracy of listing Southern Gardens Citrus Nursery.

The due date for filing of February 15, 2015 was noted in seeking additional clarity on several issues. Mr. Thompson encouraged committee members as well as the board members to review the questions contained in the return to be sure CRDF remains in compliance with the 501(c) status. Mr. Stambaugh made a motion to approve Form 990 for filing pending Mr. Wheeler's satisfactory correction of the three items questioned by Mr. Thompson. Seconded by Mr. Black, the motion passed unanimously.

Dr. Browning reported that the UF internal audit has been put on hold by the audit staff pending completion of another assignment. They expect to continue the CRDF internal audit late in February or in March 2015. The pre-audit visit information that was provided to them previously will be updated prior to their site visit. This has allowed time to implement some changes to responsibilities by office personnel in the interim.

Ms. Goller summarized the December 31, 2014 financial summary, and reviewed the cash balances, revenue and expenses for the period ending December 31, 2014. Ms. Goller will request that UFF

forward an invoice to The Coca Cola Company for the second installment of the Gift Agreement due in 2015.

In response to Mr. Thompson's question regarding cash flow, Dr. Browning indicated that cash flow will remain sensitive, as the June 30, 2015 cash balance was projected to be less than \$1.5 million in the approved FY 2014-15 CRDF budget, \$3 million lower than the previous fiscal year end. Expected residuals on 72 projects ending between now and June 30th also will affect the diminishing cash reserves. Other sources of cash flexibility include the \$1.1 million investment in SPIA and the Citrus Box Tax Trust Fund which is accessed through an annual FDACS contract.

Ms. Goller will present a more complete analysis of cash flow projections through the end of the year, as requested by Mr. Thompson. Consideration of the need to revise the FY 2014-15 operating budget will be presented as well.

Mr. Black requested an explanation of the nuPssyllid Program Financial Summary provided with the materials. Dr. Browning reviewed the annual spending noting that currently year 3 spending is close to projections, while 83% of the projected budget was utilized in the second year compared to the 27% utilized in year one. The nuPssyllid research, advisory and management teams will meet on Sunday, February 8, 2015, the day prior to the start of IRCHLB IV in Orlando to discuss progress and the need for revisions to some of the project budgets.

Dr. Browning reported the project management team has been reviewing the CRDF portfolio of both Research projects associated with the Research Management Committee and the delivery projects associated with the Commercial Product Delivery Committee. Projects ending by July 1, 2015 are of particular interest, as CRDF will need to determine which projects are of highest priority to continue through additional proposals for funding. Subsequent committee meetings will be devoted to discussing the projects and analysis of how to provide continuity.

CRDF and the industry leadership continue to support the CRDF funding request for FY 2015-16 in the FDACS budget at \$8 million. CRDF will consider funding additional research projects during the transition to implementation of new federal funding.

With no new business to report, the meeting was adjourned at 2:20 p.m.

Minutes submitted by Audrey Nowicki