

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

**Finance and Audit Committee
Meeting Minutes
October 18, 2013**

A meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on October 18, 2013 in Ben Hill Griffin Hall, Lake Alfred, Florida. The meeting was called to order at 10:03 A.M. by Chairman Hugh Thompson. The meeting was properly noticed and recorded. A quorum was present. Committee members present were Mr. Black, Mr. Stambaugh and Mr. Thompson. Committee member participating by phone was Dr. Joyce. Member absent was Mr. Joe Davis. Others present were Dr. Browning, Ms. Nowicki and Ms. Johnson. Also participating by phone was Mr. Kelly.

Mr. Black moved to accept the minutes of the September 24, 2013 meeting. Seconded by Mr. Stambaugh, the motion passed unanimously.

Mr. Ed Kelly from University of Florida Investment Corporation (UFICO) gave an update of CRDF's investment portfolio since its inception one year ago. Mr. Kelly reported that performance was down one quarter this past year due to the sell-off of bonds. This was an unusual event and the other quarters' performance helped balance that loss. The CRDF account is invested in 40% Enhanced cash and 60% Short Term Fixed Income, which is what Mr. Kelly recommends for the next year as well.

The committee discussed the order of draw down from investment account funds when cash flow requires reaching beyond the current Money Market account. The preference from the committee to meet cash flow obligations is to spend Money Market funds first, then draw from UFICO funds and SPIA funds last. Dr. Browning reminded the committee that the approved budget included a planned draw down of reserve funds over the course of the next year, which will result in a net reduction in capital reserve.

The committee also discussed reserves in the box tax trust fund and flexibility that offered. Ms. Nowicki will confirm the details of timing and advance notification of UFICO fund transfers.

Other business: UF conducts internal operational and internal control audits for departments and DSOs on a regular basis. The committee along with Dr. Browning decided it would be beneficial to CRDF to have an internal audit performed. This is not a monetary audit but an audit of procedures and practices, testing operational parameters and the adequacy of internal controls, and would complement the required annual third party financial audit. Dr. Browning will work with UF to schedule an audit before June 30, 2014.

With no further business, the meeting was adjourned at 11:20 A.M.

Minutes submitted by Diane Johnson