

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

**Minutes of the
Finance and Audit Committee Meeting
June 10, 2019**

A telephonic meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on Monday, June 10, 2019. The meeting was properly noticed and recorded. The meeting was called to order at 1:00 pm by Chairman Ned Hancock. Roll was called and a quorum was present. Committee members participating were Larry Black (telephone), Ned Hancock (telephone), and Charlie Lykes (telephone). Members not present were Rob Atchley and Jeanna Mastrodicasa. Others participating were Brandy Brown, Rick Dantzer, Juan Carlos Motamayor (telephone), Audrey Nowicki, and John Updike, Jr.

Mr. Black moved to approve the minutes of the May 21, 2019 meeting. The motion was seconded by Mr. Lykes, and with no discussion passed unanimously.

Mr. Hancock reviewed the May 2019 financial summary and accompanying statements. He reported that the \$4 million in legislative funding has been fully utilized. Due to timing of the new contracts, utilization of the Box Tax research funding continues under projections.

Mr. Hancock asked Ms. Nowicki to discuss the FY 2019-2020 miscellaneous contracts. Ms. Nowicki explained that the miscellaneous contracts are administrative rather than research contracts and require F&A and Board approval. All miscellaneous contracts expire as of fiscal year end June 30, 2019, some contain options for annual extension by mutual agreement. Ms. Nowicki reported the list of miscellaneous contracts with descriptions was provided in materials for the committee's review and approval.

Mr. Hancock reviewed the FY 2019-2020 miscellaneous contracts with the committee and asked if there were questions regarding any of the contracts presented. Having no questions raised, Mr. Lykes made a motion to accept all the FY 2019-2020 miscellaneous contracts as presented for board approval. The motion was seconded by Mr. Black and it passed unanimously.

Mr. Hancock reviewed the FY 2019-2020 draft budget. He reported on the revenue, explaining the projection of cash carry forward, the box tax which is budgeted at 85%, co-funding agreement from PepsiCo, and the donation from Certis for FY 2019-2020. Mr. Hancock reported that the administrative costs presented include a proposed five (5%) per cent salary increase for the office staff due to increased responsibilities with the termination of the Business Manager position. An allowance for an increase in legal and accounting spending is included due to the possibility of transitioning from a DSO under UF. Mr. Black requested that the increase for transition expenses have a separate line from the normal legal expenses. Lastly, Mr. Hancock discussed the research and delivery expenses, which includes the current portfolio of projects, potential new contracts not yet approved for funding, and the \$2 million that has

proviso language attached. Mr. Lykes made a motion to accept the FY 2019-2020 budget as presented for board approval. The motion was seconded by Mr. Black and it passed unanimously.

Mr. Hancock reported that he would like CRDF to publicly acknowledge and thank Coca-Cola and Pepsi for their years of funding during the board meeting in Bonita Springs.

Mr. Dantzler reported that he met with Alex Wheeler this morning to start preparing for our audit, which will take place the week of July 15. In discussions with Mr. Wheeler, he mentioned that some of the new accounting standards being implemented by UF are coming from the Auditor General, and they are being applied to all DSO's for universities. However, none of those standards include the two by-law changes by UF that have caused the controversy.

Mr. Dantzler asked for guidance regarding the RFP for large-scale field trials. He reported that on Friday afternoon he sent the CRDF BoD a copy of the draft RFP that he has been working on and asked for suggestions for final editing. Mr. Dantzler spoke with Marshall Wiseheart, our FDACS representative who provides CRDF with support on our contracts and was advised that CRDF should announce the RFP for large-scale field trials, and then if CRaFT wants to apply for funding under the RFP they can. Marshall also informed Mr. Dantzler that he isn't aware of a mechanism for CRDF to transfer all or part of the \$2 million over to the new CRaFT DSO for funding projects through their CRaFT RFP. Mr. Dantzler reported that all CRDF research contracts include an assignability clause, giving us the ability to assign a contract to another entity. The best way for CRDF to handle this may be to contract with our approved large-scale field trial applicants and then assign those contracts to the DSO under the Department of Agriculture for the CRaFT program. There was committee consensus to have a general RFP for large-scale field trials and to not specifically name CRaFT or any cost-share type programs.

With no further business, the meeting adjourned at 1:42 pm.

Minutes submitted by Brandy Brown