

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

Minutes of the

Finance and Audit Committee Meeting

Friday, June 12, 2020

A teleconference meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on Friday, June 12, 2020. The meeting was properly noticed and recorded. The meeting was called to order at 8:31 a.m. by Chairman Ron Mahan. Roll was called and a quorum was present. Committee members participating were Rob Atchley, Larry Black, Ned Hancock, Ron Mahan, and Jeanna Mastrodicasa. Others participating were Rick Dantzler, David Howard, Audrey Nowicki, and Deidra Whatley.

Mr. Mahan began the meeting with the approval of the minutes of the January 28, 2020 Finance and Audit meeting. Mr. Hancock made a motion to approve the minutes of the January 28, 2020 Finance and Audit committee meeting. The motion was seconded by Mr. Black, and with no further discussion the motion passed unanimously.

Next, Mr. Mahan reviewed the May 31, 2020 Financial Summary and the accompanying statements. Mr. Black questioned the composition of the accounts receivable in excess of \$2 million. Mr. Dantzler responded that the amount includes the outstanding balance of the settlement agreement. He went on to explain how he had spoken to CRDF's contact at FDACS and felt the settlement agreement amendment would be executed shortly and the payment would be forthcoming.

Mr. Dantzler discussed the CRAFT Foundation contract, for which CRAFT has requested an extension to growers who, through no fault of their own, would not be able to timely receive and plant their trees by the June 30th date outlined in the contract. An amendment has been drafted to allow for this extension, and Mr. Dantzler has asked FDACS to review the amendment for legality concerning the FDACS-CRDF contract. While they did not have an issue with it, they could make no guarantee that an auditor wouldn't flag it. He wanted to make the Committee aware of the matter; the Governance Committee will discuss the Amendment in greater detail at their upcoming meeting.

Mr. Mahan began discussion of the FY 2020-21 Box Tax Assessment and proposed motion for the Box Tax Advisory Council meeting scheduled on Tuesday, June 23, 2020. The proposed motion was reviewed and received consensus for the Box Tax to remain at three-cents during the Box Tax Advisory Council meeting on June 23, 2020.

Next, Mr. Mahan discussed the FY 2020-21 miscellaneous contracts. He asked Mr. Dantzler to go into further detail, beginning with the Florida Fruit and Vegetable Association contract which had been renegotiated and reduced in FY 2019-2020. Mr. Dantzler stated that, while FFVA's services are not utilized frequently, it is valuable to have them available for consultation on regulatory matters. There was discussion among the Committee members regarding pending and potential projects in which

regulatory assistance might be needed. With no further comments or discussions, the matter was concluded.

Mr. Mahan proceeded to the CRDF FY 2020-21 draft budget that was included with the meeting materials. Discussion centered on long-term projections, as well as various allowances designated for funding large-scale field trials, off-cycle proposals, and the 2020 Nutrition RFP. Other discussions pertained to underspending and the granting of no cost extensions, the cash carry forward balance, and whether funds might be available for an additional RFP. Mr. Mahan suggested adjusting CRDF's Box Tax revenue projection to align with the Department of Citrus' final forecasted number of boxes. Mr. Black asked that the FDACS settlement agreement receivable be factored into the budget, adjusting the ending cash balance accordingly, prior to the Board meeting. Contingent on the two suggested modifications, Mr. Black made a motion to recommend the draft budget for FY 2020-21 to the CRDF Board of Directors for approval. Dr. Mastrodicasa seconded the motion. After a brief discussion of the potential State and Federal budgets over the next few years, the motion passed unanimously.

With no further business, the meeting adjourned at 9:00 a.m.

Minutes submitted by Deidra Whatley