



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

### **Minutes of the**

### **Finance and Audit Committee Meeting**

**April 22, 2024**

A meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on April 22, 2024. The meeting was properly noticed and recorded. The meeting was called to order at 9:30 AM by Chair Ron Mahan. Roll was called and a quorum was present. Committee members participating were Ron Mahan and Matt Story.

Mr. Mahan entertained a motion to approve the August 22, 2023, minutes as presented. Dr. Gunter so moved. The motion was seconded by Mr. Story and passed unanimously.

Mr. Mahan called for Ms. Nowicki to review the March 31, 2024, financial summary and accompanying statements. She summarized the receivables and payables, noting that the variances in the report are running the same as usual, also noted that the Legislative funding is expected to be billed in full by the August 15 deadline for invoicing against those funds. Research project spending continues to be underspent based on the approved budgets. Operations costs are in line with the budget, with any variance due to timing of expenses; the office equipment category is over \$1,900 since it was necessary to replace three computers this year in response to UF's requirement that all computers be Windows 11 compliant by the end of this year. The bulk of the \$1.84 million cash balance will be carried over to next year and will be reflected as carry forward when the budget is complete. With no questions from the committee, Mr. Mahan requested a motion to approve the March 2024 Financial Summary to be presented to the Board. Mr. Story so moved. Dr. Gunter seconded the motion and it passed unanimously.

The next item on the agenda was the Review of the Preliminary FY 2024-2025 Budget. Mr. Dantzer started the discussion noting that CRDF has an RFP that is live now that attempts to answer practical questions that growers have regarding injecting OTC, with the anticipation of dozens of preproposals. With the industry in its current shape, we feel like we need to be aggressive with everything we do, and free up funds wherever we can. To get to the estimated \$1,400,000 for new research in 2024-2025, we suggested a few ways by recommending that funding of the Southern Gardens PCR Lab be reduced or eliminated, requesting that the Grand Plan Plant Improvement proposal be reduced. Another thing is that we have six contracts with grower cooperators on the East Coast area to test molecules or compounds that are emerging from the preliminary studies of Dr. Brian Scully and Dr. Michelle Heck. This is to take their initial findings into the field for large-scale testing. In a commercial growing environment, we have just arbitrarily pinned that number at \$10,000 per grower cooperator, based on the obligations that we have incurred in the contracts we have with those growers. The Agerpoint data

collection contract will be reduced from \$27,000 for the existing rootstock trials to \$10,000 for only the new rootstock and scion trials that are being to be planted.

Other possibilities include not being so generous with no-cost extensions and re-allocating the residuals to new project funding which would discontinue the project, and exploring the possibility of approaching DOC to bear a portion of the funding with funds they've received for advancing CRISPR work.

Mr. Mahan voiced concern over funds going to CRAFT that would normally have gone to CRDF. He was also concerned that OTC was working but not as good as we had hoped. Mr. Hamner asked if when you look at CRDF projects and NIFA funding, is there any overlap that could reduce the CRDF budget accordingly. We could put a paragraph in the contract saying, "If your funding comes from elsewhere, CRDF can be relieved of responsibility." Dr. Gunter pointed out that the PIs are not working on projects which are funded by more than one source, which would be double-dipping.

Ms. Nowicki noted that the Preliminary Budget must be presented to UF on Wednesday, and requested this draft budget be moved to the Board for approval for submission to UF, then it could be discussed further and fine-tuned for the final approval at the June Board meeting in Bonita Springs. Mr. Mahan entertained a motion to approve the budget and propose it to the Board. Dr. Gunter so moved. The motion was seconded by Mr. Story and passed unanimously.

Mr. Dantzler noted that the Box Tax recommendation would be made at the June Box Tax Advisory Council meeting also, so they should be giving some thought as to what they would like to do. It is now 2 cents/box. Based on the production model, 18 million boxes would return \$306,000.

The last item on the agenda was the Discussion of the Audit Firm for the 6-30-2024 Audit. There are recommendations that CRDF change firms, or rotate the accountant within the current audit firm. But Mr. Sal Tropea already up to speed with the audit details, assigning a new auditor would have to acquaint himself with the numerous functions and funding practices within the citrus industry which would increase the hours spent on the audit significantly. Bunting, Tripp & Ingley has given their assurance that once the accountant finalizes, the audit goes to a higher level of accountants for a rigorous review. Mr. Mahan was fine with keeping the current firm as was Mr. Story. Ms. Nowicki noted that Bunting, Tripp & Ingley also does CRAFT returns, so they are very familiar with where the greatest percentage of CRDF funding is flowing. They can be closely monitoring the \$35 million that is going through CRAFT this year. Mr. Mahan entertained a motion to present to the Board for approval that CRDF retains Bunting, Tripp & Ingley for the June 30, 2024 audit. Mr. Story so moved. The motion was seconded by Dr. Gunter and passed unanimously.

With no further business, the meeting adjourned at 9:58 AM.

Minutes submitted by Barbara Thompson.