



Approved April 6, 2021

Thursday, January 28, 2021

3:00 PM

Virtual Meeting

I. Call to Order

Committee Chair, Ford Heacock, called the meeting of the Florida Polytechnic University Foundation Audit Committee to order at 3:03 PM.

II. Roll Call

Kim Kennedy called the roll: Committee Chair, Ford Heacock; Todd Baylis and Loretta Sanders were present (Quorum). Kathy Bowman, Foundation CEO, was also present. University staff present: David Brunell, Assistant General Counsel; Kim Kennedy, Executive Assistant to the Foundation CEO, and Larry Locke, Director of Finance and Development Operations.

Guests present from Carr, Riggs & Ingram, LLC (CRI) were: John Brielmaier, Senior Manager; Tatiana Carvajalino, Supervising Senior, and Karen Hauk, CPA Partner.

III. Public Comment

Kim Kennedy stated there were no requests received for public comment.

IV. Approval of Minutes

Loretta Sanders motioned to approve the minutes of the Florida Polytechnic University Foundation Audit Committee meeting held June 8, 2020 as presented. Todd Baylis seconded the motion; a vote was taken, and the motion passed unanimously.

V. Presentation of 2019-2020 Foundation Audit

Larry Locke introduced the team from Carr, Riggs & Ingram, LLC. John Brielmaier of CRI presented the Foundation 2019-2020 audit. The following was information presented:

A. Auditors' Reports and Letter

- Independent Auditors' Report on basic financial statements
 - Unmodified opinion; clean opinion (highest opinion issued)
- Government Auditing Standards Report
 - No material weaknesses, significant deficiency or other instances of noncompliance

B. Audit Results

- Observation to improve financial management – This year was a transition year for the Foundation which brought on its onset of challenges.
 - The individuals that booked transactions during the year are no longer with the University.
 - Schedules related to pledge receivables, contributions and investments transactions were not maintained during the period and required additional time during the audit.

- Pledge receivable balances were not reviewed for collectability leading to a passed adjustment.
- Financial reporting systems and donation tracking systems were transitioned to new vendors.
- Proposed audit adjustment – Write off of AR balances deemed to be uncollectible. Management agreed to write off these balances in FY21.

C. Other Communications

- Significant accounting policies – No significant changes to accounting policies, policies can be seen in the footnotes
- Accounting estimates – receivables allowance, fair value of investments
- Disagreements with management – none
- Consultations with Other Accountants – none
- Issues Discussed Prior to Retention – none
- Difficulties Encountered during the Audit – none

Loretta Sanders inquired about the adjustments made for contributions receivable. John Brielmaier stated there was going to be an adjustment for approximately \$60K. There was an allowance for \$30K on the books; therefore, management determined that approximately \$30K is uncollectable based on historical record. The \$30K balance will be cleaned up next year in the FY20-21 financial statement.

Kathy Bowman stated the additional adjustment was made because there had not been adjustments made in previous years. Larry Locke agreed and stated there were receivables left on the books which should have been removed and were not.

Kathy stated there has been a liability on the books for quite some time as the result of an anonymous gift. She has made it a priority this fiscal year to work with the anonymous donor. Some productive meetings have already occurred and information is being provided that had not been in the past. She hopes to provide final reports to the donor in the next 3-4 weeks and then meet with the donor to see how we can move the liability off the books to the other side. Kathy will work with the donor and the Office of General Counsel in an attempt to clear this up by June 30, the end of this fiscal year.

Ford Heacock stated the record should reflect the Florida Polytechnic University Foundation audit for fiscal year 2019-2020 was received on this date, January 28, 2021.

VII. **Closing Remarks and Adjournment**

With no further business to discuss the meeting of the Florida Polytechnic University Foundation Audit Committed adjourned at 3:16 PM.