



**Friday, December 8, 2023
9:30 AM (EST)
VIRTUAL MEETING**

Approved January 16, 2024

I. **Call to Order**

Committee Chair, Don Wilson, called the meeting of the Florida Polytechnic University Foundation Governance Committee to order at 9:32 AM.

II. **Roll Call**

Kim Kennedy called the roll: Committee Chair, Don Wilson, Todd Baylis, Kristen Lowers, Ivette O'Doski, Dr. Muhammad Rashid and Ana Wood were present (Quorum). Foundation CEO, Kathy Bowman, was also present. University staff present were David, Blanton, Chief Compliance Officer/Chief Audit Executive; George Cotellis, Sr. Staff Accountant; Penelope Farley, University Controller; David Fugett, VP and General Counsel; Kim Kennedy, Executive Assistant and Jasmine Peterson, Staff Accountant.

Guests present from Clifton/Larson/Allen (CLA) were Alex Mora, Brian Quinlin and Bryan Simkanich.

III. **Public Comment**

Kim Kennedy stated no requests for public comment were received.

IV. **Approval of Minutes**

Kristen Lowers motioned to approve the minutes of the Florida Polytechnic University Foundation Governance Committee meeting held August 28, 2023, as presented. Dr. Muhammad Rashid seconded the motion; a vote was taken, and the motion passed unanimously.

V. **Presentation of Foundation FY2023 Audit**

Bryan Simkanich, Signing Director with CLA presented the Foundation's FY2023 audit to the Committee with the following overview:

A. Timeline and Process

- Audit began mid-August and majority was completed mid-September
- Management was collaborative, responsive and extremely professional throughout the process
- Delays in October/November due to final contribution details provided

B. Audit Adjustments

- 3 Audit Adjustments
 - Discount on Long Term Receivables
 - University support related to payroll provided to Foundation
 - Intercompany transactions with University
- No passed adjustments

Bryan provided the following Internal Control Report:

- Material Weakness in internal controls over financial reporting
 - Audit adjustments that were a result of procedures performed

- Financial reporting and close process to be evaluated
- Significant Deficiency in internal controls over financial reporting
 - Need to review formal policy/process related to naming agreements to ensure revenue recognition standards within GASB 33 have been met.

The Management Letter contains the following suggestions:

- Journal entries within system should be prepared and reviewed by separate individuals
- Restricted and endowment funds tracking should be reviewed for efficiency

The Financial Statement Review indicates:

- Approximately \$4.5M (or 50%) increase in total assets and revenue
- University support (payroll and benefits) \$277K
- Net Position increased by \$5m (OR 79%)
- Significant dollar gifts in 2023
- Net cash provided by operating activities was \$680K

Required Governance Communication

- Overall
 - Purpose is to provide an update on the audit since the planning discussions
 - No changes in scope of audit
 - Accounting policy changes
 - GASB Statement No. 96: SPIDTA
 - GASB Statement No. 94: PPP
- Estimates
 - Estimates present in financial statements
 - Allowance for doubtful accounts
- Difficulties
 - Minor delays due to gift revenue agreements
 - No disagreements encountered
 - Internal control over financial reporting findings
 - Management Letter recommendations
- Other
 - 2 material audit adjustments
 - No passed adjustments
 - Management representation letter was signed at conclusion of engagement and approval of the financial statements

Director Muhammad Rashid asked how the Foundation stands to date. Symkinach stated he has no concerns and stated the Foundation is right on point.

CLA thank CEO Bowman, Jasmine Peterson and George for their cooperation during the audit process.

CEO Bowman thanked CLA for their expertise and smooth audit process. She stated the Foundation's policies and procedures and currently under evaluation to determine if revision are needed to remain in line with GASB standards.

VII. **Closing Remarks and Adjournment**

With no further business to discuss, this meeting of the Florida Polytechnic University Foundation Governance Committee adjourned at 10:03 AM.