

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

**Minutes
Audit Committee
October 9, 2017**

Held at the Harbor Branch Oceanographic Institute Foundation Offices

PRESENT: Mike Brown, Sr.; Nancy Higgs; John Papa*, Chair

ABSENT: C. Amos Bussmann

ALSO PRESENT: Debbie Dutton, Director of Operations; Melanie Fernandez, Managing Partner, Assurance Services, BDO USA; Katha Kissman, President & CEO; Tara Miller, Assurance Director, BDO USA; Seksit Niltub, CPA, Assurance Manager, BDO USA; Mike O'Reilly*, Foundation Board Chair

*participated virtually

Call to Order

Chair Papa called the meeting to order at 2:00 pm.

Approval of Minutes

The Minutes of the October 19, 2016 Audit Committee Meeting were approved unanimously.

Presentation of Wrap Up Report

Ms. Fernandez provided the presentation of the Audit Wrap Up Report. She reported an unmodified opinion. In addition, for the single audit of the use of state funds (Specialty License Plate Program), she reported the testing of the funds received for the Protect Wild Dolphins and the Save Our Seas plate funds, she reported a unmodified opinion with regard to compliance. She noted that the unmodified opinions were the highest to achieve. In addition, she noted there were no corrected or uncorrected misstatements that BDO brought to the attention of management. Following discussion it was agreed there was slight modification of language to ensure clarity.

Presentation of draft FY17 Financial Statements

Mr. Niltub provided the presentation of the audit's draft FY17 Financial Statements. Of particular note was to ensure the Committee understood the differences between FY16 financials and FY17 were driven by the modified process of awarding SLP grant funds which was a recommendation following the FY16 audit; and the improvement of the Endowment's position due to strong market performance, the sale of alternative funds, and the careful stewardship by the Finance Committee. Following discussion it was agreed there was slight modification of language to ensure clarity.

Presentation of Form 990

Ms. Miller provided the presentation of the IRS Tax Form 990 draft. Ms. Miller highlighted the small changes from last year's Form 990. No further changes to the draft were discussed or recommended.

Following these presentations, staff voluntarily left the room so the Audit Committee could speak with the representatives of BDO. Upon their return, it was reported by Chair Papa that the Committee was very pleased with the results of the audit and the confirmation by BDO of due diligence by staff.

The motion to recommend approval to the Board of Directors of the audit financials and Form 990 subject to the changes discussed at the November 9, 2017 Board meeting was approved unanimously.

Foundation Board Chair O'Reilly and Audit Committee Chair Papa thanked BDO for its fine work.

Adjournment

There being no further business, the meeting was adjourned at 3:04 pm.