



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES’
COMMITTEE ON AUDIT AND OPERATIONS REVIEW
COMMITTEE MINUTES**

June 4, 2015

215A Emerson Alumni Hall

University of Florida, Gainesville, Florida

Time Convened: 10:30 a.m. EDT

Time Adjourned: 11:27 a.m. EDT

1.0 Verification of Quorum

After a roll call, a quorum was confirmed with all members present.

Committee on Audit and Operations Review Members present:

Charles B. Edwards (Chair), Christopher T. Corr, Paul W. Davenport, Joselin Padron-Rasines, Rahul Patel, Robert G. Stern

2.0 Call to Order and Welcome

Committee Chair Charles B. Edwards called the meeting to order at 10:30 a.m. EDT.

Committee Chair Edwards welcomed everyone and reported that he had reviewed the status of investigations conducted by the Office of Internal Audit (OIA). These activities included items that had been received on the UF Compliance Hotline. Trustee Edwards reported that he is satisfied that the investigations are being appropriately conducted and reviewed either by the OIA or referred to other appropriate university offices.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the April 2, 2015 Committee meeting, which was made by Trustee Corr and seconded by Trustee Davenport. The Chair asked for further discussion, after which he asked for all in favor and any opposed and the motion was approved unanimously.

4.0 Action Items

No action items were presented.

5.0 Discussion/Informational Items

The following Discussion/Information Items were presented during the Committee meeting:

5.1 Update on External Audits

Phil Ciano of the Auditor General's Office appeared before the Committee to provide an update on current external audit activity:

- Financial Statement Audit for the 2014-2015 fiscal year: This audit is conducted as part of a statewide audit, but a separate report is issued for the University of Florida. Preliminary fieldwork is currently being performed, but will continue in earnest as the University completes its financial statements in late August. A significant standard change in the governmental reporting model (GASB #68) will require the recording and reporting of a liability for unfunded pension obligations. Data will be provided by the Florida Retirement System, but the changes will have an impact on the statement and note presentation. Mr. Ciano stated that he expects the audit report to be released in mid-December, 2015.
- Federal Audit for the 2014-2015 fiscal year: This Federal Compliance audit is conducted and reported as the University of Florida's chapter of a statewide audit. The audit will cover both the Student Financial Aid and the Research and Development major program clusters. Federal regulations require the report to be issued by March 31, 2016 and Mr. Ciano indicated that the report will likely be released during March 2016.
- Operational Audit for the Fiscal Year 2014-2015. This audit is conducted at least every three (3) years per statute. It has objectives relating to internal controls, compliance with state and university rules and regulations, and operational processes. Mr. Ciano reported that the audit is currently underway and fieldwork is approximately 50% complete. Expected release date for the audit report is October-November, 2015.
- Florida Bright Futures for the Fiscal Years 2013-2014 and 2014-2015. This audit covers compliance with state regulations relative to the Bright Futures program. Expected release date for the audit report is February 2016.

Chair Edwards indicated that he had attended an entrance conference for these projects on April 10, 2015.

5.2 Audits and Other Reviews

Chief Audit Executive (CAE) Brian Mikell of the OIA presented the following internal audit project that had been issued since the last Committee meeting:

- 1) University Purchasing Card Program

The report and summary had been previously provided to the Committee for detailed review. The audit project was briefly discussed and questions from the Committee were answered.

CAE Mikell also discussed some Management Advisory Projects that had been completed and issued.

5.3 Quarterly Follow-up

Audit Director Joe Cannella of the OIA reported on the follow-up status of comments and action plans from previously issued internal and other audits. For the benefit of new Committee members, he explained the purpose and objectives for the follow-up system.

5.4 2015-2016 Annual Audit Plan (OIA).

CAE Mikell explained the audit risk assessment process that leads to a three (3)-year work plan. The work plan is a fluid document and is adjusted every 6 months based on changing risks and resource constraints. FY 2015-2016 is year three (3) of this plan, and changes to the year's plan were presented and discussed with the Committee. The Committee authorized the changes as presented.

5.5 Audits of Affiliated Organizations

The Committee was provided information relating to audits of university affiliated organizations. This information was compiled by the general accounting and financial reporting department of the Office of the Controller. Changes since our April meeting were minor.

5.6 Charter Review Update – Committee and OIA

CAE Mikell discussed the need to keep the charters for the Committee and the OIA up-to-date. Any revisions necessary will be presented at the next Committee meeting, and may incorporate changes necessitated by proposed BOG regulations relative to the internal audit function.

In light of the proposed BOG regulations, Chair Edwards briefly discussed the role of the OIA at the University of Florida and its placement with respect to reporting lines. Questions were answered from the Committee relative to what is the appropriate placement for an internal audit office.

6.0 New Business

There was no new business to discuss.

7.0 Adjourn

After asking for any further discussion and hearing none, Committee Chair Edwards asked for a motion to adjourn. With no further discussion desired, the motion was passed unanimously and the Committee on Audit and Operations Review was adjourned at 11:27 a.m. EDT.



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES'
COMMITTEE ON AUDIT AND OPERATIONS REVIEW
COMMITTEE MINUTES**

April 2, 2015

**President's Room 215B, Emerson Alumni Hall
University of Florida, Gainesville, Florida**

Time Convened: 12:31 p.m. EDT

Time Adjourned: 1:39 p.m. EDT

1.0 Verification of Quorum

After a roll call, a quorum was confirmed with all members present except for Trustee Scott.

Committee on Audit and Operations Review Members present:

Charles B. Edwards (Chair), Christopher T. Corr, Paul W. Davenport, Rahul Patel, Robert G. Stern, Cory M. Yeffet

2.0 Call to Order and Welcome

Committee Chair Charles B. Edwards called the meeting to order at 12:31 pm EDT.

Committee Chair Edwards welcomed everyone and reported that he had reviewed the status of investigations conducted by the Office of Internal Audit (OIA). These activities included items that had been received on the UF Compliance Hotline. Trustee Edwards reported that he is satisfied the investigations are being appropriately conducted and reviewed either by the OIA or referred to other appropriate university offices.

Committee Chair Edwards also reported that he and Chief Audit Executive Brian Mikell attended a workshop with the Board of Governors Audit and Compliance Committee. In attendance were the Chief Audit Executives and Audit Committee Chairs from all State University System institutions. Common issues and concerns were discussed, including the creation of an overall compliance function at each university. The Board of Governors is considering drafting a regulation or policy requiring each university to develop an overall compliance officer or function. Trustee Edwards stated that he felt the university should be at the forefront of this initiative.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the March 9, 2015 committee meeting, which was made by Trustee Corr and Seconded by Trustee Yeffet. The motion was approved unanimously.

4.0 Action Items

AO1. University of Florida Annual Financial Report as of and for the Fiscal Year ended June 30, 2014

Committee Chair Edwards asked the Committee to consider for approval and recommendation to the Board its approval on the Consent Agenda Action Item AO1: The University of Florida Annual Financial Report as of and for the Fiscal Year ended June 30, 2014.

Trustee Corr requested a presentation of the Annual Financial Report. Chief Financial Officer Mike McKee discussed the general process for producing the report and how the financial statements are audited by the Florida Auditor General. He then answered specific Trustee questions relating to the report.

Committee Chair Edwards asked for a motion to approve Action Item AO1 - The University of Florida Annual Financial Report as of and for the Fiscal Year ended June 30, 2014 for the full Board's approval on the Consent Agenda. The motion was made by Trustee Corr and Seconded by Trustee Yeffet, and the motion was approved unanimously.

5.0 Discussion/Informational Items

The following Discussion/Information Items were presented during the Committee meeting:

5.4 Identity Theft Prevention Program

Chief Privacy Officer Susan Blair discussed the purpose of the Privacy Office and the University's Identity Theft Prevention Program, designed to comply with the Federal Trade Commission's Red Flags Rule. The Rule requires the university to develop and implement a written program to identify, detect, prevent and mitigate identity theft related to covered financial accounts and to periodically report on its status to the Board of Trustees. Ms. Blair reported on the period from December 2013 to March 2015, during which the Privacy Office reviewed many university units and addressed any issues noted. Ms. Blair reported that there have been no serious data breaches at the university over this period.

5.1 Update on External Audits

Phil Ciano of the Auditor General's Office appeared before the Committee to provide an update on external audit activity. For the benefit of the new trustees on the committee, Mr. Ciano explained the services provided by the Auditor General, as the university's external auditors. With regard to current audit projects, Mr. Ciano reported:

- Financial Statement Audit for the 2013-2014 fiscal year: This annual audit is conducted as part of a statewide audit, but a separate report is issued for the University of Florida. The audit report contained an unmodified opinion and was released on December 16, 2014.
- Federal Audit for the 2013-2014 fiscal year: This audit is conducted and reported as the UF part of a statewide audit and is conducted according to OMB Circular A-133. Phil stated that there were no findings related to the University of Florida in the Federal audit report. Federal regulations require the report to be issued by March 31, 2015, and the statewide report was issued on March 30, 2015.

Audit work at UF for the 2014-2015 fiscal year audit period will include the Financial Statement Audit, the Statewide Federal Audit, an Operational Audit (required to be performed at least every three years) and an audit of the Bright Futures program covering FY's 13-14 and 14-15. An entrance conference for these projects has been scheduled for April 10, 2015.

5.2 Audits and Other Reviews

Chief Audit Executive Brian Mikell of the Office of Internal Audit (OIA) presented four internal audit projects that had been completed and reports issued since the last Committee meeting. The projects presented were:

- 1) Foundation Restricted Gifts (CY 2013)
- 2) Performance Based Funding – Data Integrity
- 3) Baby Gator Childcare Centers
- 4) UAA Academic Support Services

The reports and summaries had been previously provided to the committee for detailed review. Each audit project was briefly discussed and questions from the committee were answered.

5.3 Quarterly Follow-up

Audit Director Joe Cannella of the OIA reported on the follow-up status of comments and action plans from previously issued internal and other audits.

5.5 Audits of Affiliated Organizations

The committee was provided information relating to audits of university affiliated organizations. This information was compiled by the general accounting and financial reporting department of the Office of the Controller. Chief Financial Officer Mike McKee and Senior Associate Controller Kathleen Tillett discussed the schedules and answered questions from the committee.

6.0 New Business

There was no New Business to discuss.

7.0 Adjourn

After asking for further discussion and hearing none, Committee Chair Edwards asked for a motion to adjourn and with no further discussion, the motion was passed unanimously and the Committee on Audit and Operations Review was adjourned at 1:39 p.m. EDT.

Audit Summary

University Purchasing Card Program
As of June 30, 2014

Audit Report # UF-15-652-06
Issued April 7, 2015

Objective:

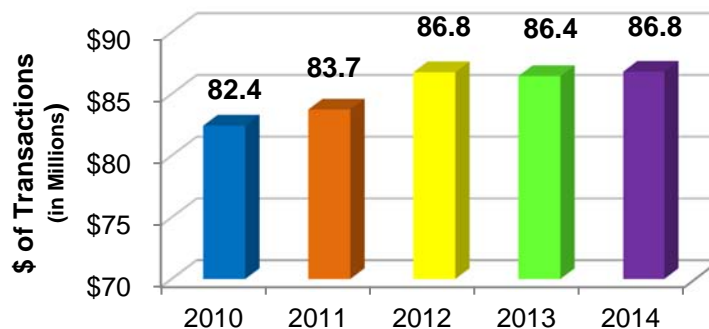
The Office of Internal Audit (OIA) conducted an audit of the University of Florida Purchasing Card (PCard) Program as of June 30, 2014. The objective of this audit was to evaluate the effectiveness of controls in place to determine whether PCard transactions were appropriate, properly authorized, and adequately documented.

Background:

The PCard Program provides an effective and convenient way for the university to make purchases. To obtain a PCard, university policy requires all faculty or staff to be authorized by their dean, director, or department chair and to complete the web-based training. Training was recommended annually for all cardholders and approvers. Training consisted of various courses specifically designed for PCard holders, verifiers and approvers that discuss relevant PCard policies and procedures.

As of December 31, 2014, there were approximately 5,000 PCards issued for 371 business units. For the period of January 1, 2010 through December 31, 2014, the university had processed and approved PCard transactions exceeding \$426 million, ranging from approximately \$82 to \$87 million per year.

Approved PCard Transactions



Conclusion:

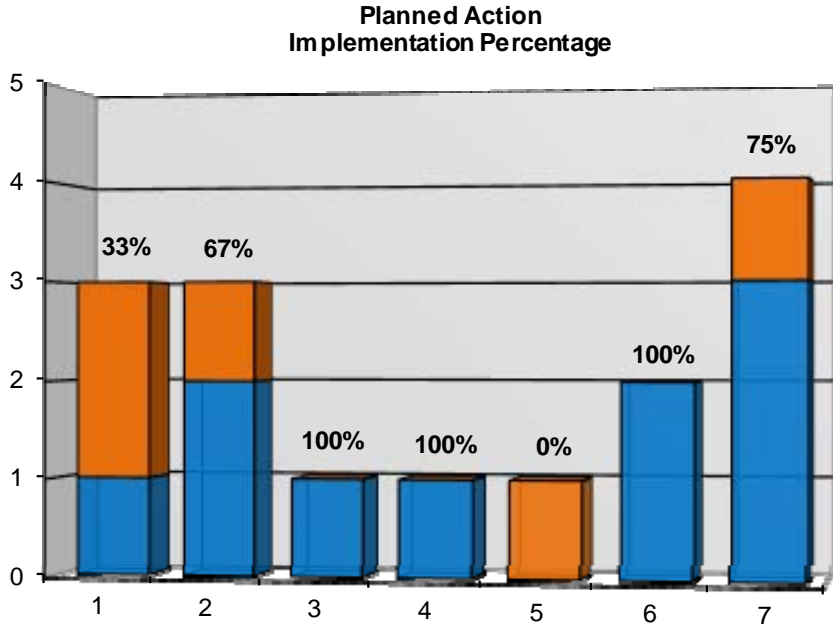
Purchases made via PCard do not involve and do not benefit from some of the traditional control mechanisms afforded by purchase requisitions, purchase orders, or receiving reports. Therefore, for the achievement of accountability objectives, prescribed control procedures must be followed both at the unit level, within any shared service center that may be utilized by the unit, and at central PCard administration. This audit focused on the transactions and controls exercised at the unit level and through shared service centers. We judgmentally selected and reviewed 600 PCard transactions from 15 business units to test their appropriateness, including proper support and approval. We also interviewed approvers for the selected business units.

Based on the results of our audit procedures, we concluded that controls in place were generally adequate to ensure that PCard usage was appropriate, including proper approval of PCard transactions. While we concluded that controls were in place and generally functioning as designed, university management and the audit team agreed on the following action plans to address noted improvement opportunities:

Actions:

- ◆ The OIA issued management letters (11) to the appropriate business units to communicate specific issues noted, emphasizing the importance of PCard processing controls
- ◆ PCard administration may conduct site visits and/or follow up with these business units to discuss exceptions noted and offer appropriate training and guidance

**University of Florida Office of Internal Audit
Follow-up Statistics as of March 31, 2015
(Third Quarter)**



- | | |
|------------------------------|-------------------------------------|
| 1. Academic Affairs | 5. IFAS |
| 2. Chief Financial Officer | 6. University Athletic Association |
| 3. Chief Information Officer | 7. University of Florida Foundation |
| 4. Health Affairs | |

Oversight by	Total	Balance	Current Quarter Statistics				
	Outstanding as of 3/31/2015	Due in Subsequent Quarters	Follow Up Due and Reviewed	Implemented	In process (extended)	Follow Up Ceased	Percent Implemented
Academic Affairs	5	2	3	1	2	-	33%
Chief Financial Officer	7	4	3	2	1	-	67%
Chief Information Officer	6	5	1	1	-	-	100%
Health Affairs	1	-	1	1	-	-	100%
IFAS	3	2	1	-	1	-	0%
UAA	6	4	2	2	-	-	100%
UF Foundation	5	1	4	3	1	-	75%
Totals	33	18	15	10	5	-	67%

**University of Florida Office of Internal Audit
Summary of Significant Comments and/or Follow-up Ceased
Period ending March 31, 2015**

The following comments for this period were noted as significant based on the report issued.

MATERIAL AND SUPPLY FEES AND EQUIPMENT USE FEES, UF-14-636-05, ISSUED JUNE 30, 2014

COMMENT 1 – REVIEW AND UPDATE OF EXISTING FEES: The University Budget Office launched an eForm system in 2009, which utilized electronic workflow to allow units to submit new and updated fee proposals to the college dean's office and the Office of Academic Affairs for review and approval. Per Administrative Memos issued by the University Budget Office, existing fees (M&S Fees and EU Fees) should be reviewed by university units to determine if units are charging the appropriate fee to cover the resources needed

In our testing with potentially high risk units we identified some units did not have adequate procedures to regularly review their existing fees and the system default was to allow fees to roll forward each semester without requiring any action to confirm they were still accurate. Some units stated they did not have the resources to effectively review their large number of fees each semester especially considering the manual process to review the documentation within the eForm module. The eForm interface may have deterred units from reviewing their fees regularly.

The Budget Office stated they would work with Enterprise Systems to enhance the reporting capability of the system. A formal fee recertification process for colleges or units to recertify their existing fees each semester will be explored and considered for implementation. The Budget Office planned to enhance policies requiring units to review and certify their existing course fees each semester through the use of this recertification process. The Budget Office would also review the associated fees for those units having inadequate procedures noted in the report to determine if any fee balances should be adjusted.

The Budget Office, with the help of Enterprise Systems, has developed queries that allow units to view their active M&S and EU fees for a given semester as well as the details associated with the eForms, allowing for a full review of their current fees. The queries have been communicated to the users via listserv as well as information relating to the roles they need to access the queries. A policy has been developed and communicated to users that requires them to view their current fees, make necessary changes to them, and document their review each semester effective for the summer semester 2015. The Budget Office will complete its review during the semester.

Enterprise Systems is still working with the Budget Office to incorporate a fee re-certification process within the system. – **PARTIALLY IMPLEMENTED.**

**UNIVERSITY OF FLORIDA
2015-2016
2013-2016 AUDIT PLAN – 3RD YEAR REVISIONS**

AUDITS & ADVISORY PROJECTS	NOTES
AUDITS	
Academic Affairs – Distance Learning	*
Agricultural Research & Extension – IFAS Department	*
Fiscal & Financial Management – Contract & Grants Accounting & Reporting	* Canceled - Started during 2014-2015
Fiscal & Financial Management – Contract Management	* Postponed - based on risk assessment and available resources
Fiscal & Financial Management – Decentralized Collections	* Postponed - based on risk assessment and available resources
Fiscal & Financial Management – Purchasing Card	* Canceled - Performed during 2014- 2015
Health Affairs – Clinical Trials	*
Information Resource Management – Decentralized IT Security & Comp.	*
Information Resource Management – Student Systems	* Postponed - based on risk assessment and available resources
Institutional Support – Conflicts of Interests	*
Institutional Support – Emergency Preparedness and Incident Response	*
Institutional Support – Lab Safety and Security	* Moved - from 2014-2015
Institutional Support – Performance Based Funding	* Added – Board of Governors
Other Support – Gator Boosters	*
Other Support – UAA Student Athlete Eligibility	*
Other Support – UAA Information Technology General Controls	*
Other Support – UAA Ticket Office	*
Other Support – UFF Legal Compliance	*
Other Support – UFF Restricted Gifts – Non- endowed (CY 2015)	*
Other Support – UFF Restricted Gifts – Endowed (CY 2015)	*
Research Administration & Support – Research Participation Payments	*

**UNIVERSITY OF FLORIDA
2015-2016
2013-2016 AUDIT PLAN – 3RD YEAR REVISIONS**

AUDITS & ADVISORY PROJECTS	NOTES
MANAGEMENT ADVISORY PROJECTS	
Auxiliary & Contracted Services – Auxiliary Oversight and Monitoring	*
Information Resource Management – IBM Endpoint Manager Implementation	* Added– based on risk assessment and available resources
Institutional Support – Control Self Assessment Survey	*
Institutional Support – Executive Travel and Reimbursement	*
Institutional Support – Export Control Compliance Program	* Postponed - based on risk assessment and available resources
Institutional Support – Privacy Office	* Moved - from 2013-2014
Personnel Administration – Employee Relations and Leave Administration	*
Research Administration & Support – NRC Annual Review	* Added
TOTAL PROJECTS	24 23

- * Replacements/Scope Change/New
- * Projects Postponed/Canceled

UNIVERSITY OF FLORIDA
SUMMARY OF AUDIT REPORTS FOR AFFILIATED ORGANIZATIONS
Year Ended 2014

	Year Ended	Auditors' Opinion on Financial Statements	Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters				Management Letter Comments ?																																																					
			Instances of Noncompliance?	Control Deficiencies?	Control Deficiencies Significant?	Control Deficiencies Considered Material Weaknesses?																																																						
DIRECT-SUPPORT ORGANIZATIONS																																																												
1. University of Florida Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
2. University of Florida Research Foundation, Inc.	June 30, 2014	Unmodified	No	No	No	N/A	No																																																					
3. The University Athletic Association, Inc.	June 30, 2014	Unmodified	No	No	No	No	Yes																																																					
4. Gator Boosters, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	Yes																																																					
5. The University of Florida Law Center Association, Inc.	June 30, 2014	Unmodified	No	No	No	No	No																																																					
6. Florida Foundation Seed Producers, Inc.	June 30, 2014	Unmodified	No	No	No	No	Yes																																																					
7. Florida 4-H Club Foundation, Inc. (1)	March 31, 2015																																																											
8. Southwest Florida Research and Education Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
9. Citrus Research and Education Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	No	No																																																					
10. Citrus Research and Development Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	No	No																																																					
11. University of Florida Leadership & Education Foundation, Inc.	December 31, 2014	Unmodified	No	No	N/A	No	No																																																					
12. Treasure Coast Agricultural Research Foundation, Inc.	June 30, 2014	Unmodified	No	No	No	N/A	No																																																					
13. University of Florida Alumni Association, Inc. (2)	June 30, 2014	(2)	(2)	(2)	(2)	(2)	(2)																																																					
14. University of Florida Investment Corporation	June 30, 2014	Unmodified	No	No	N/A	No	No																																																					
15. University of Florida Historic St. Augustine	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
16. University of Florida Development Corporation	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
17. GatorCare Health Management Corporation	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
HEALTH SCIENCE CENTER AFFILIATES																																																												
1. Florida Clinical Practice Association, Inc. (College of Medicine)	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
2. University of Florida Jacksonville Physicians, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
3. Faculty Associates, Inc. (College of Dentistry)	June 30, 2014	Unmodified	No	Yes	Yes	No	Yes																																																					
4. Florida Health Professions Association, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
5. University of Florida College of Nursing Faculty Practice Association, Inc.	June 30, 2014	Unmodified	No	Yes	Yes	No	Yes																																																					
6. University of Florida College of Pharmacy Faculty Practice Association, Inc.	June 30, 2014	Unmodified	No	No	No	No	No																																																					
7. Florida Veterinary Medicine Faculty Association, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
8. University of Florida Jacksonville Healthcare, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
9. Faculty Clinic, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
SELF-INSURANCE PROGRAM																																																												
1. University of Florida Self-Insurance Program (Including HEIC)	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
OTHER AFFILIATED ORGANIZATIONS																																																												
1. Shands Teaching Hospital and Clinics, Inc. and Subsidiaries	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
2. Shands Jacksonville Healthcare, Inc.	June 30, 2014	Unmodified	No	Yes	Yes	No	Yes																																																					
3. University Village Apartments, Inc. (3)	June 30, 2014	(3)	(3)	(3)	(3)	(3)	(3)																																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Year Ended</th> <th rowspan="2">Opinion</th> <th colspan="5">Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Awards Program and/or State Financial Assistance Project and Schedule of Expenditures of Federal Awards (As Applicable)</th> </tr> <tr> <th>Report on Compliance - Instances of Non-Compliance?</th> <th>Report on Internal Control Over Compliance - Control Deficiencies?</th> <th>Report on Internal Control Over Compliance - Deficiencies Significant?</th> <th>Report on Internal Control Over Compliance - Deficiencies Considered Material Weaknesses</th> <th>Other Findings and/or Questioned Costs?</th> </tr> </thead> <tbody> <tr> <td colspan="8">AFFILIATED ORGANIZATION</td> </tr> <tr> <td>University of Florida Foundation, Inc.</td> <td>June 30, 2014</td> <td>Unmodified</td> <td>No</td> <td>No</td> <td>N/A</td> <td>N/A</td> <td>No</td> </tr> <tr> <td>Citrus Research and Development Foundation, Inc.</td> <td>June 30, 2014</td> <td>Unmodified</td> <td>No</td> <td>No</td> <td>N/A</td> <td>N/A</td> <td>No</td> </tr> <tr> <td>Shands Teaching Hospital and Clinics, Inc. and Subsidiaries</td> <td>June 30, 2014</td> <td>Unmodified</td> <td>No</td> <td>No</td> <td>N/A</td> <td>N/A</td> <td>No</td> </tr> <tr> <td>Shands Jacksonville Healthcare, Inc.</td> <td>June 30, 2014</td> <td>Unmodified</td> <td>No</td> <td>No</td> <td>N/A</td> <td>N/A</td> <td>No</td> </tr> </tbody> </table>									Year Ended	Opinion	Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Awards Program and/or State Financial Assistance Project and Schedule of Expenditures of Federal Awards (As Applicable)					Report on Compliance - Instances of Non-Compliance?	Report on Internal Control Over Compliance - Control Deficiencies?	Report on Internal Control Over Compliance - Deficiencies Significant?	Report on Internal Control Over Compliance - Deficiencies Considered Material Weaknesses	Other Findings and/or Questioned Costs?	AFFILIATED ORGANIZATION								University of Florida Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No	Citrus Research and Development Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No	Shands Teaching Hospital and Clinics, Inc. and Subsidiaries	June 30, 2014	Unmodified	No	No	N/A	N/A	No	Shands Jacksonville Healthcare, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No
	Year Ended	Opinion	Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Awards Program and/or State Financial Assistance Project and Schedule of Expenditures of Federal Awards (As Applicable)																																																									
			Report on Compliance - Instances of Non-Compliance?	Report on Internal Control Over Compliance - Control Deficiencies?	Report on Internal Control Over Compliance - Deficiencies Significant?	Report on Internal Control Over Compliance - Deficiencies Considered Material Weaknesses	Other Findings and/or Questioned Costs?																																																					
AFFILIATED ORGANIZATION																																																												
University of Florida Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
Citrus Research and Development Foundation, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
Shands Teaching Hospital and Clinics, Inc. and Subsidiaries	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					
Shands Jacksonville Healthcare, Inc.	June 30, 2014	Unmodified	No	No	N/A	N/A	No																																																					

Note: Changes to report subsequent to the 4/2/15 Board of Trustees Audit Committee Meeting are highlighted.

(1) Audited Financial Statements not yet due as organization has a year end of March 31.

UNIVERSITY OF FLORIDA
SUMMARY OF AUDIT REPORTS FOR AFFILIATED ORGANIZATIONS
Year Ended 2014

	Control Deficiencies and/or Management Comments 2013?	Control Deficiencies and/or Management Comments 2014?	Repeat Finding(s) from Prior Year?	Summary of Repeat Finding(s)
DIRECT SUPPORT ORGANIZATIONS				
1. University of Florida Foundation, Inc.	No	No	N/A	
2. University of Florida Research Foundation, Inc.	Yes	No	N/A	
3. The University Athletic Association, Inc.	Yes	Yes	Yes	Seat contributions below required minimum
4. Gator Boosters, Inc.	Yes	Yes	Yes	Seat contributions below required minimum
5. The University of Florida Law Center Association, Inc.	Yes	No	No	
6. Florida Foundation Seed Producers, Inc.	Yes	Yes	Yes	Per Diem paid last day of travel when organization paid for lodging.
7. Florida 4-H Club Foundation, Inc. (1)	(1)	(1)	(1)	
8. Southwest Florida Research and Education Foundation, Inc.	No	No	N/A	
9. Citrus Research and Education Foundation, Inc.	No	No	N/A	
10. Citrus Research and Development Foundation, Inc.	No	No	N/A	
11. University of Florida Leadership & Education Foundation, Inc.	No	No	N/A	
12. Treasure Coast Agricultural Research Foundation, Inc.	No	No	N/A	
13. University of Florida Alumni Association, Inc. (2)	(2)	(2)	(2)	
14. University of Florida Investment Corporation	No	No	N/A	
15. University of Florida Historic St. Augustine	No	No	N/A	
16. University of Florida Development Corporation	No	No	N/A	
17. GatorCare Health Management Corporation	Yes	No	N/A	
HEALTH SCIENCE CENTER AFFILIATES				
1. Florida Clinical Practice Association, Inc. (College of Medicine)	No	No	No	
2. University of Florida Jacksonville Physicians, Inc.	No	No	No	
3. Faculty Associates, Inc. (College of Dentistry)	No	Yes	No	
4. Florida Health Professions Association, Inc.	No	No	N/A	
5. University of Florida College of Nursing Faculty Practice Association, Inc.	Yes	Yes	Yes	Fees charged without correct associated fee schedule
6. University of Florida College of Pharmacy Faculty Practice Association, Inc.	No	No	N/A	
7. Florida Veterinary Medicine Faculty Association, Inc.	No	No	No	
8. University of Florida Jacksonville Healthcare, Inc.	No	No	No	
9. Faculty Clinic, Inc.	No	No	No	
SELF-INSURANCE PROGRAM				
1. University of Florida Self-Insurance Program (Including HEIC)	Yes	No	No	
OTHER AFFILIATED ORGANIZATIONS				
1. Shands Teaching Hospital and Clinics, Inc. and Subsidiaries	No	No	No	
2. Shands Jacksonville Healthcare, Inc.	No	Yes	No	
3. University Village Apartments, Inc. (3)	No	(3)	(3)	

(1) Audited Financial Statements not yet due as organization has a year end of March 31.

UNIVERSITY OF FLORIDA
SUMMARY OF AUDIT REPORTS FOR AFFILIATED ORGANIZATIONS
Year Ended 2014

	Year Ended	Net Position or Fund Equity Beginning of Year (As Restated If Applicable)	Year Ended 2014		Net Position or Fund Equity End of Year	Fiscal Year Totals		Change in Net Position (Increase/(Decrease))
			Total Assets	Total Liabilities		Total Revenues and Other Additions	Total Expenses and Other Deductions	
DIRECT-SUPPORT ORGANIZATIONS								
1. University of Florida Foundation, Inc.	June 30, 2014	1,732,291,082	1,971,849,920	68,776,253	1,903,073,667	325,477,982	154,695,397	170,782,585
2. University of Florida Research Foundation, Inc.	June 30, 2014	91,579,839	139,731,863	36,353,082	103,378,781	43,648,595	31,849,653	11,798,942
3. The University Athletic Association, Inc.	June 30, 2014	142,195,534	305,907,969	153,097,027	152,810,942	124,112,205	113,496,797	10,615,408
4. Gator Boosters, Inc.	June 30, 2014	983,765	18,268,224	17,273,027	995,197	41,055,982	41,044,550	11,432
5. The University of Florida Law Center Association, Inc.	June 30, 2014	6,886,999	7,043,335	19,585	7,023,750	1,600,939	1,464,188	136,751
6. Florida Foundation Seed Producers, Inc.	June 30, 2014	4,690,033	10,268,732	5,102,679	5,166,053	2,474,325	1,998,305	476,020
7. Florida 4-H Club Foundation, Inc. (1)	March 31, 2015	(1)	(1)	(1)	(1)	(1)	(1)	(1)
8. Southwest Florida Research and Education Foundation, Inc.	June 30, 2014	133,733	130,234	2,125	128,109	104,634	110,258	(5,624)
9. Citrus Research and Education Foundation, Inc.	June 30, 2014	1,587,000	1,399,801	28,526	1,371,275	748,007	963,732	(215,725)
10. Citrus Research and Development Foundation, Inc.	June 30, 2014	339,082	7,697,450	5,682,910	2,014,540	17,706,456	16,030,998	1,675,458
11. University of Florida Leadership & Education Foundation, Inc.	December 31, 2014	1,026,957	2,774,668	1,750,896	1,023,772	3,428,344	3,431,529	(3,185)
12. Treasure Coast Agricultural Research Foundation, Inc.	June 30, 2014	221,700	218,552	0	218,552	205	3,353	(3,148)
13. University of Florida Alumni Association, Inc. (2)	June 30, 2014	(2)	(2)	(2)	(2)	(2)	(2)	(2)
14. University of Florida Investment Corporation	June 30, 2014	535,914	1,899,778	1,265,124	634,654	2,527,952	2,429,212	98,740
15. University of Florida Historic St. Augustine	June 30, 2014	402,942	1,333,460	43,828	1,289,632	1,320,319	433,629	886,690
16. University of Florida Development Corporation	June 30, 2014	10,648,223	11,685,829	890,155	10,795,674	2,304,124	2,156,673	147,451
17. GatorCare Health Management Corporation	June 30, 2014	84,647	28,802,312	28,414,756	387,556	405,527	102,618	302,909
HEALTH SCIENCE CENTER AFFILIATES								
1. Florida Clinical Practice Association, Inc. (College of Medicine)	June 30, 2014	100,017,770	168,817,973	59,107,271	109,710,702	483,440,444	473,747,512	9,692,932
2. University of Florida Jacksonville Physicians, Inc.	June 30, 2014	46,868,643	65,486,478	18,423,974	47,062,504	229,573,761	229,379,900	193,861
3. Faculty Associates, Inc. (College of Dentistry)	June 30, 2014	3,521,993	6,037,562	112,471	5,925,091	17,882,812	15,479,714	2,403,098
4. Florida Health Professions Association, Inc.	June 30, 2014	3,187,798	4,033,722	758,424	3,275,298	6,030,354	5,942,854	87,500
5. University of Florida College of Nursing Faculty Practice Association, Inc.	June 30, 2014	4,730,718	4,722,373	0	4,722,373	657,060	665,405	(8,345)
6. University of Florida College of Pharmacy Faculty Practice Association, Inc.	June 30, 2014	1,366,665	2,288,664	551,967	1,736,697	3,547,184	3,177,152	370,032
7. Florida Veterinary Medicine Faculty Association, Inc.	June 30, 2014	7,738,076	8,800,637	922,645	7,877,992	7,999,542	7,859,626	139,916
8. University of Florida Jacksonville Healthcare, Inc.	June 30, 2014	369,091	7,480,820	7,111,729	369,091	31,880,660	31,880,660	0
9. Faculty Clinic, Inc.	June 30, 2014	1,500,545	5,374,555	3,877,588	1,496,967	1,527,877	1,531,455	(3,578)
SELF-INSURANCE PROGRAM								
1. University of Florida Self-Insurance Program (Including HEIC)	June 30, 2014	111,680,432	218,095,452	79,816,276	138,279,176	26,683,411	84,667	26,598,744
OTHER AFFILIATED ORGANIZATIONS								
1. Shands Teaching Hospital and Clinics, Inc. and Subsidiaries (In Thousands)	June 30, 2014	870,674	1,735,395	798,030	937,365	1,248,487	1,181,796	66,691
2. Shands Jacksonville Healthcare, Inc. (In Thousands)	June 30, 2014	165,734	459,618	291,271	168,347	545,808	543,195	2,613
3. University Village Apartments, Inc. (3)	June 30, 2014	(3)	(3)	(3)	(3)	(3)	(3)	(3)

(1) Audited Financial Statements not yet due as organization has a year end of March 31.

(2) The accounts related to the University of Florida Alumni Association, Inc. are included in the financial statements of the University of Florida Foundation, Inc. (UFF). The operating activities of the Alumni Association are presented in Note 13 to UFF's Financial Statements.

(3) The Corporation is in the process of dissolving and merging into the University Department of Housing and Residence Education. All transactions during the 2013-14 fiscal year are included in the University's financial statements