



**Board of Trustees  
University of Central Florida  
Audit, Operations Review, Compliance, and Ethics Committee  
January 26, 2012 Time 9:00 a.m.  
Call-in number: 800-442-5794 Code: 463796**

**Agenda**

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| <b>I.</b> Opening comments and approval of minutes  | Trustee Jim Atchison<br><i>Chair, Audit, Operations Review,<br/>Compliance, and Ethics<br/>Committee</i> |
| <b>II.</b> Update on internal and external audit activities and Direct Support Organizations' audit results | Amy Voelker<br><i>Director, University Audit</i>   |
| <b>III.</b> University Compliance, Ethics, and Risk Management Program update                               | Rhonda L. Bishop<br><i>Chief Compliance and Ethics<br/>Officer</i>                                       |
| <b>IV.</b> Closing comments   | Jim Atchison   |

Minutes  
Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee  
University of Central Florida  
Live Oak Center  
September 28, 2011

Trustee Alan Florez, vice chair of the Audit, Operations Review, Compliance, and Ethics Committee, called the meeting to order at 8:45 a.m. Trustees Ida Cook and Meg Crofton were present, and Trustee Harris Rosen attended via telephone.

Also attending were Rhonda Bishop, Chief Compliance and Ethics Officer, and Amy Voelker, Director, University Audit.

**MINUTES**

The minutes from the July 21, 2011, meeting were approved as submitted.

**NEW BUSINESS**

Rhonda Bishop described the Identity Theft Prevention Policy and Program and requested approval from the committee. This policy and program are required by the Federal Trade Commission's Red Flags Rule 16 CFR Part 681. Approval of this policy and program by a committee of the Board of Trustees brings the university into full compliance. The committee unanimously approved the policy.

The meeting adjourned at 8:50 a.m.

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Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee  
January 26, 2012**

**Summary of Fiscal Year 2010-11 External Audit Results for Direct Support Organizations**

	<b>Direct Support Organizations</b>					
	<b>UCF Athletics Association</b>	<b>UCF Convocation Corp.</b>	<b>UCF Finance Corp.</b>	<b>UCF Foundation</b>	<b>UCF Golden Knights Corp.</b>	<b>UCF Research Foundation</b>
<b>Auditors' Opinion</b>	unqualified	unqualified	unqualified	unqualified	unqualified	unqualified
<b>Instances of Non-compliance or Control Deficiencies?</b>	Yes (a)	none	none	none	none	Yes (b)
<b>Management Letter Comments or Financial Statement Misstatements?</b>	none	none	none	none	none	none

Pegasus Health did not have any activity in 2010-11 to produce financial statements.

(a) UCFAA had two internal controls identified as needing improvement.

1. Two voided checks were not defaced or otherwise rendered unusable, and two voided checks properly defaced were not marked voided in the accounting system.
2. One reimbursement request was missing an approval signature and one disbursement did not include sufficient supporting documentation.

(b) UCFRF had one internal control identified as a material weakness.

1. Restricted contributions were recorded as a liability (deferred revenues) and recognized as revenue when spent rather than properly recognized as restricted revenues at the time of receipt. This accounting issue was found during an internal audit in 2011 and communicated to the UCFRF and its external audit firm. Certain amounts were reclassified for 2009-10 to provide accurate comparative information in the 2010-11 financial statements.

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<b>Total Assets</b>	2011	\$21,325,308	\$225,283,282	\$71,684,104	\$245,947,887	\$64,379,679	\$20,030,995
	2010	\$22,759,923	\$229,783,473	\$75,331,410	\$225,958,256	\$65,801,392	\$20,186,394
<b>Total Liabilities</b>	2011	\$22,206,634	\$238,439,009	\$71,273,876	\$39,944,268	\$59,854,543	\$4,663,088
	2010	\$23,422,996	\$243,759,963	\$74,874,990	\$41,755,173	\$61,225,106	\$4,535,684
<b>Total Revenues</b>	2011	\$37,821,563	\$31,777,526	\$4,613,197	\$55,743,234	\$10,647,551	\$5,457,031
	2010	\$36,020,221	\$29,024,358	\$14,680,054	\$34,710,350	\$11,983,009	\$18,378,939
<b>Total Expenses</b>	2011	\$38,039,816	\$30,956,763	\$4,659,389	\$33,942,698	\$10,698,701	\$5,563,011
	2010	\$35,958,306	\$31,484,127	\$14,714,931	\$34,227,699	\$11,337,060	\$5,062,793
<b>Net Assets Beginning of Year</b>	2011	\$(663,073)	\$(13,976,490)	\$456,420	\$184,203,083	\$4,576,286	\$15,650,710
	2010	\$(724,988)	\$(11,516,721)	\$491,297	\$183,720,432	\$3,930,337	\$2,557,611
<b>Net Assets End of Year</b>	2011	\$(881,326)	\$(13,155,727)	\$410,228	\$206,003,619	\$4,525,136	\$15,367,907
	2010	\$(663,073)	\$(13,976,490)	\$456,420	\$184,203,083	\$4,576,286	\$15,650,710
<b>Change in Net Assets: Increase (Decrease)</b>	2011	\$(218,253)	\$820,763	\$(46,192)	\$21,800,536	\$(51,150)	\$(282,803)
	2010	\$61,915	\$(2,459,769)	\$(34,877)	\$482,651	\$645,949	\$13,093,099