

**FLORIDA A&M UNIVERSITY FEDERAL CREDIT UNION**

**PROJECT-SPECIFIC AUDIT**

**For the Year Ended December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Florida A&M University Federal Credit Union

### **Report on the Schedule of Expenditures of State Financial Assistance**

We have audited the accompanying Schedule of Expenditures of State Financial Assistance for the Florida A&M University Federal Credit Union (FAMUFCU) for the year ended December 31, 2019, and the related notes (the Schedule).

#### ***Management's Responsibility for the Schedule of Expenditures of State Financial Assistance***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a Schedule that is free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
Florida A&M University Federal Credit Union

***Opinion***

In our opinion, the Schedule referred to in the first paragraph presents fairly, in all material respects, the expenditures of state financial assistance for FAMUFCU for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, on our consideration of FAMUFCU's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FAMUFCU's internal control over financial reporting and compliance.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
December 9, 2020

**FLORIDA A&M UNIVERSITY FEDERAL CREDIT UNION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**For the Year Ended December 31, 2019**

**STATE FINANCIAL ASSISTANCE**

| <b>Grantor/State Project Title/Pass-Through Grantor</b> | <b>Agreement<br/>Number</b> | <b>CSFA<br/>Number</b> | <b>State<br/>Expenditures</b>     |
|---|-----------------------------|------------------------|-----------------------------------|
| <b>Florida Department of Economic Opportunity:</b>      |                             |                        |                                   |
| <i>Economic Development Loan Program</i>                |                             |                        |                                   |
| Black Business Loan Program (BBLP)                      | D0139                       | 40.041                 | <u>\$ 1,302,264</u>               |
| <b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b> |                             |                        | <b><u><u>\$ 1,302,264</u></u></b> |

*See accompanying notes to Schedule of Expenditures of State Financial Assistance.*

# FLORIDA A&M UNIVERSITY FEDERAL CREDIT UNION

## NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended December 31, 2019

### 1. Basis of Presentation

The Schedule of Expenditures of State Financial Assistance (the Schedule) includes the state financial assistance activity of FAMUFCU under projects of the State of Florida for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a select portion of the operations of FAMUFCU, it is not intended to, and does not, present the financial condition, changes in members equity, or cash flows of FAMUFCU.

The amount of State Financial Assistance reported in the Schedule is recorded in accordance with Florida Administrative Code 69I-5.004. The portion of this amount related to administrative and technical assistance expenses are reported on an accrual basis. Principal repayments and interest on loans is reported based on cash received. The Schedule below summarizes the amounts that make up total State Financial Assistance reported in the Schedule:

|  | <u>Amount</u>       |
|--|---------------------|
| Loans Issued in 2019   | \$ 466,428          |
| Outstanding (O/S) Loan Balance at 12/31/19 for<br>Loans Issued Prior to 1/1/19 | 287,581             |
| Principal Received on Loans Issued Prior to 1/1/19 -<br>Paid in Full           | 225,311             |
| Principal Received on Loans Issued Prior to 1/1/19 -<br>Partial Payments       | 24,919              |
| Interest Received on all O/S Loans during 2019                                 | 45,577              |
| Interest Paid on SPIA Account net of Fees                                      | 16,341              |
| 2019 Administrative Charges  | 132,266             |
| 2019 Technical Assistance Charges  | <u>103,841</u>      |
| Total State Financial Assistance Reported                                      | <u>\$ 1,302,264</u> |

### 2. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as result of such an audit, any claim for reimbursement to the grantor agency would become a liability of FAMUFCU. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.

### 3. Loan Pool

In accordance with the Black Business Loan Program, unobligated funds shall be maintained by the recipient in a separate interest-bearing account subject to the terms and conditions of the agreement entered into with the Florida Department of Economic Opportunity (the Department). Due to obligations of FAMUFCU outside of the program, FAMUFCU and the Department agreed to have unobligated funds held on deposit in a Special Purpose Investment Account (SPIA) with the Florida Department of Financial Services Division of Treasury.

The table below shows the activity in that account for the year ended December 31, 2019:

|                   | <u>SPIA<br/>Activity</u> |
|-------------------|--------------------------|
| Beginning balance | \$ -                     |
| Additions:        |                          |
| Interest          | 16,952                   |
| Other additions   | 2,774,213                |
| Deductions:       |                          |
| Admin fees        | (611)                    |
| Other deductions  | <u>(994,398)</u>         |
| Ending balance    | <u>\$ 1,796,156</u>      |

### 4. Black Business Loans

Of \$1,302,264 in project expenditures reported, \$466,428 represents loans issued during the year ended December 31, 2019. Total outstanding loans as of December 31, 2019 was \$710,744.



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A STATE  
PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors  
Florida A&M University Federal Credit Union

**Report on Compliance for the Economic Development Loan Program – Black Business Loan Program**

We have audited Florida A&M University Federal Credit Union's (FAMUFCU) compliance with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on the Economic Development Loan Program - Black Business Loan Program (the Project) for the year ended December 31, 2019.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Project.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Project occurred. An audit includes examining, on a test basis, evidence about FAMUFCU's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Project. However, our audit does not provide a legal determination of the FAMUFCU's compliance.

***Opinion on Compliance for the Economic Development Loan Program - Black Business Loan Program***

In our opinion, FAMUFCU complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Project for the year ended December 31, 2019.



To the Board of Directors  
Florida A&M University Federal Credit Union

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*, and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001. Our opinion on the Project is not modified with respect to this matter.

FAMUFCU's response to the compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. FAMUFCU's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of FAMUFCU is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the FAMUFCU's internal control over compliance with the types of requirements that could have a direct and material effect on the Project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Project and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of FAMUFCU's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
December 9, 2020

**FLORIDA A&M UNIVERSITY FEDERAL CREDIT UNION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2019**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statement - Schedule of Expenditures of State Financial Assistance**

Type of Auditor's Report Issued:

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes                     No
- Significant deficiency(ies) identified?                 Yes                     None reported

Noncompliance material to the Schedule noted?                     Yes                     No

**State Financial Assistance**

Internal control over state project:

- Material weakness(es) identified?                     Yes                     No
- Significant deficiency(ies) identified?                 Yes                     None reported

Type of Report Issued on Compliance for State Project:

**Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, *Rules of the Auditor General*?

Yes                     No

**Identification of State Project:**

**CSFA Number**

40.041

**Name of State Project**

Economic Development Loan Program - Black Business Loan Program

# FLORIDA A&M UNIVERSITY FEDERAL CREDIT UNION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended June 30, 2019

### SECTION II - STATE PROJECT FINDINGS AND QUESTIONED COSTS REPORTED IN ACCORDANCE WITH THE CHAPTER 10.656, *RULES OF THE AUDITOR GENERAL*

#### 2019-001 – Allowable Costs

##### Type of Finding – Compliance

##### CSFA 40.041 Economic Development Loan Program - Black Business Loan Program

State Agency: Department of Economic of Opportunity

Questioned Costs: \$132,266

**Condition:** During testing, we noted that Florida A&M University Federal Credit Union (FAMUFCU) was submitting allowable costs for Direct Administrative Costs and Technical Assistance on an allocation basis.

**Criteria:** The agreement FAMUFCU has with the Department of Economic Opportunity (DEO) appears to allow only for direct expenses to be reimbursed for administrative cost and is not specific related to reimbursement of technical assistance costs.

**Cause:** FAMUFCU's reading of the contract as well as verbal discussions with DEO led FAMUFCU to the conclusion that using an allocation for these costs was acceptable. Their conclusion was further enhanced because the DEO, after receiving the required quarterly reporting and supporting documentation, reimbursed these allocated costs and did not question them. The DEO, through email correspondence, acknowledged the use of an allocation method by citing it and requesting supporting documentation for the calculation.

**Effect:** The contract between FAMUFUC and DEO should be updated to ensure there is no ambiguity related to allowable cost specifically related to administrative and technical assistance.

**Recommendation:** We recommend that FAMUFCU and the DEO come to an agreement as to whether or not the allocation method used by FAMUFCU for these costs is acceptable. If determined to be acceptable, this method should be memorialized in subsequent agreements. We also recommend that if an allocation method is denied that FAMUFCU properly document all direct expenses related to these costs and submit those in accordance with the agreement with DEO.

**Management's Response:** See Attachment A for management's response.

### SECTION III - PRIOR-YEAR AUDIT FINDINGS

None Reported.



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Florida A&M University Federal Credit Union

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Expenditures of State Financial Assistance (the Schedule) for Florida A&M University Federal Credit Union (FAMUFCU) for the year ended December 31, 2019, and the related notes to the Schedule, and have issued our report thereon dated December 9, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Schedule, we considered FAMUFCU's internal control over financial reporting (internal control) for the Schedule to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of FAMUFCU's internal control. Accordingly, we do not express an opinion on the effectiveness of the FAMUFCU's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors  
Florida A&M University Federal Credit Union

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether FAMUFCU's Schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the Schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the FAMUFCU's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the FAMUFCU's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
December 9, 2020



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors  
Florida A&M University Federal Credit Union

### **Report on the Financial Statements**

We have audited the Schedule of Expenditures of State Financial Assistance of Florida A&M University Federal Credit Union (FAMUFCU) for the year ended December 31, 2019, and have issued our report thereon dated December 9, 2020.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for a State Project and Report on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 9, 2020, should be considered in conjunction with this management letter.

### **Additional Matters**

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

To the Board of Directors  
Florida A&M University Federal Credit Union

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
December 9, 2020

## **ATTACHMENT A**





December 9, 2020

Office of Small and Minority Business Capital  
Florida Department of Economic Opportunity  
107 E. Madison Street  
Tallahassee, Florida 32399

Re: FY 2019 Black Business Loan Program Audit

Dear Florida Department of Economic Opportunity:

In response to the audit findings and questioned costs, specifically the administrative cost allocations, FAMU Federal Credit Union followed the lead of the Department of Economic Opportunity's approval for expenditures presented for reimbursement. The administrative cost reimbursement does not exceed the 12%, pursuant to Florida Statute 288.7102(8)(c). The enclosed reflects that the administrative cost allocations approach is a process that is appropriate and acceptable to DEO as evidenced in correspondence and approvals. FAMU Federal Credit Union provides quarterly reports with documentation to validate how each line item expense is calculated. Additionally, correspondence attached further attests to the process and procedures for submitting administrative cost reimbursements which are memorialized in the documents presented to DEO.

**Corrective Action Plan:**

We are reviewing the new, 2020-2021, contract to codify the previously approved cost allocations relative to administrative reimbursements that do not exceed the 12% as stated in our agreements.

Thank you,

FAMU Federal Credit Union

## Correspondence #1

| Florida A&M University Federal Credit Union  |   |   |
|--|---|---|
| Requested Information  | Response  | Additional Comments   |
| 1) Please provide the breakdown of salaries, fringe, office occupancy/operations & core processing totals. | See Attached worksheet for breakdown on categories.   | The breakdown percentages where the result of the estimated time being allocated to the implementation and management of the BBLP by the CEO and VP of Lending. The time allocated includes organization of supporting infrastructure in addition to the presentation of information at workshops, seminars, and providing guidance to individual customers |
| 2) Proof of payment to attorney is needed, Kinchlow & Co & Lurco.  | See Attached check copies   | Kinchlow provided direction and organization service for Press Conference announcing the implementation of the BBLP at FAMU FCU   |
| 3) Lucro total is different from amount entered on tab 6 in Quarterly Report. A \$200 difference           | Discussed No Difference   | No difference exist   |
| 4) On your budget, please provide a brief description of what is core processing                           | Core process is the outside vendor responsible for processing all financial transactions for customers and business partners  | Core Processing Expense for the main computer system that is used to process all credit union transactions, maintain transaction history, produce customer and management reports   |
| 5) confirm the Lurco is your loan servicing company  | Lurco is the loan underwriter for credit union business loans   | Yes, Lucro (formerly Member Business Solutions) is the primary underwriting vendor for FAMU FCU   |
| 6) Did FAMU FCU exhibit only at this event or was an ad placed?<br><br>Also, will need proof of payment.   | The AD was for the event. However, the ad was also apart of the publication that is a reference for small business owners for future periods<br>See Proof of payment attached | SWB is the Business Development program for FAMU. Providing Technical Assistance for new and existing businesses in the North Central Florida region. FAMU FCU will on occasion refer customers to this program for initial help.   |

**Florida A&M University Federal Credit Union**

| <b>3rd Quarter Allocation</b> |                   |                   |                   |
|-------------------------------|-------------------|-------------------|-------------------|
| <b>Classification</b>         | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
| President                     | 30,288.46         | 0.5               | 15,144.23         |
| Lending Director              | 6,923.08          | 0.6               | 4,153.85          |
| Office Occupancy              | 32,455            | 0.1               | 3,830.00          |
| Office Operations             | 47,375            | 0.1               | 5,076.00          |
| Loan Servicing                | 47,582            | 0.1               | 4,335.00          |
| Core Processing               | 48,101            | 0.07              | 275.95            |
| Other Overhead                | 11,261            | 0.1               | -                 |
|                               | 223,985.54        |                   | 32,815.03         |

**Florida A&M University Federal Credit Union**

| <b>4th Quarter Allocoant</b> |                   |                   |                   |
|------------------------------|-------------------|-------------------|-------------------|
| <b>Classification</b>        | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
| President                    | 30,288.46         | 0.5               | 15,144            |
| Lending Director             | 6,923.08          | 0.6               | 4,154             |
| Office Occupancy             | 58,703            | 0.1               | 5,870             |
| Office Operations            | 88,151            | 0.1               | 8,815             |
| Loan Servicing               | 43,355            | 0.1               | 9,694             |
| Core Processing              | 94,259            | 0.05              | 4,713             |
| Other Overhead               | 9,851             | 0.1               | 985               |
|                              | 331,530.54        |                   | 49,376            |

**1st Quarter Allocoant**

| <b>Classification</b> | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
|-----------------------|-------------------|-------------------|-------------------|
| President             | 30,288.46         | 0.5               | 15,144            |
| Lending Director      | 6,923.08          | 0.6               | 4,154             |
| BBLP Assitant         | 886.92            | 100               | 887               |
| Office Occupancy      | 30,360            | 0.1               | 3,036             |
| Office Operations     | 45,540            | 0.1               | 4,554             |
| Loan Servicing        | 54,900            | 0.1               | 7,229             |
| Core Processing       | 56,354            | 0.07              | 3,843             |
| Other Overhead        | 9,850             | 0.1               | 985               |
|                       | 235,102.46        |                   | 39,832            |

**2nd Quarter Allocoant**

| <b>Classification</b> | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
|-----------------------|-------------------|-------------------|-------------------|
| President             | 30,288.46         | 0.5               | 15,144.23         |
| Lending Director      | 6,923.08          | 0.6               | 4,153.85          |
| BBLP Assitant         | 7,128.08          | 100               | 7,128.08          |
| Office Occupancy      | 31,301            | 0.1               | 3,130.06          |
| Office Operations     | 41,491            | 0.1               | 4,149.14          |
| Loan Servicing        | 37,569            | 0.1               | 3,756.90          |
| Core Processing       | 54,513            | 0.07              | 3,852.53          |
| Other Overhead        | 7,479             | 0.1               | 747.90            |
|                       | 216,692.18        |                   | 42,062.69         |

Reply all Delete Junk Block ...

Correspondence #2

Meet with Kechia Dean Florida Department of Economic Opportunity

EA Ernest Allen Mon 8/28/2017 3:36 PM To: Rhonda Pigott Cc: Delores Glover

Meet with Kechia Dean Florida Department of Economic Opportunity

You are an optional attendee

Wed 8/30/2017 11:00 AM - 12:00 PM Wed 8/30/2017 10:00 AM - 11:00 AM

107 Madison MSC 80 Caldwell Buding

No conflicts

RSVP to this event

Email organizer

Add a message to Ernest Allen (optional)

Yes Maybe No Propose new time

We can car pool.

Discuss Accounting Requirements for Black Business Loan Program.

Kechia Dean phone # (850) 717-8533

Meeting is tentative until confirmed by Ms Dean on Monday.

Reply Reply all Forward

**Florida A&M University Federal Credit Union (FY  
17/18)**

| <b>3rd Quarter Allocation</b> |                   |                   |                   |
|-------------------------------|-------------------|-------------------|-------------------|
| <b>Classification</b>         | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
| President                     | 30,288.46         | 0.5               | 15,144.23         |
| Lending Director              | 6,923.08          | 0.6               | 4,153.85          |
| Office Occupancy              | 32,455            | 0.1               | 3,830.00          |
| Office Operations             | 47,375            | 0.1               | 5,076.00          |
| Loan Servicing                | 47,582            | 0.1               | 4,335.00          |
| Core Processing               | 48,101            | 0.07              | 275.95            |
| Other Overhead                | 11,261            | 0.1               | -                 |
|                               | 223,985.54        |                   | 32,815.03         |

**Florida A&M University Federal Credit Union**

| <b>4th Quarter Allocation</b> |                   |                   |                   |
|-------------------------------|-------------------|-------------------|-------------------|
| <b>Classification</b>         | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
| President                     | 30,288.46         | 0.5               | 15,144            |
| Lending Director              | 6,923.08          | 0.6               | 4,154             |
| Office Occupancy              | 58,703            | 0.1               | 5,870             |
| Office Operations             | 88,151            | 0.1               | 8,815             |
| Loan Servicing                | 43,355            | 0.1               | 9,694             |
| Core Processing               | 94,259            | 0.05              | 4,713             |
| Other Overhead                | 9,851             | 0.1               | 985               |
|                               | 331,530.54        |                   | 49,376            |

| <b>1st Quarter Allocation (FY 18/19)</b> |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| <b>Classification</b>                    | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
| President                                | 30,288.46         | 0.5               | 15,144            |
| Lending Director                         | 6,923.08          | 0.6               | 4,154             |
| BBLP Assitant                            | 886.92            | 100               | 887               |
| Office Occupancy                         | 30,360            | 0.1               | 3,036             |
| Office Operations                        | 45,540            | 0.1               | 4,554             |
| Loan Servicing                           | 54,900            | 0.1               | 7,229             |
| Core Processing                          | 56,354            | 0.07              | 3,843             |
| Other Overhead                           | 9,850             | 0.1               | 985               |
|  | 235,102.46        |                   | 39,832            |

| <b>2nd Quarter Allocation</b> |                   |                   |                   |
|-------------------------------|-------------------|-------------------|-------------------|
| <b>Classification</b>         | <b>Total Cost</b> | <b>Allocation</b> | <b>3rd Amount</b> |
| President                     | 30,288.46         | 0.5               | 15,144.23         |
| Lending Director              | 6,923.08          | 0.6               | 4,153.85          |
| BBLP Assitant                 | 7,128.08          | 100               | 7,128.08          |
| Office Occupancy              | 31,301            | 0.1               | 3,130.06          |
| Office Operations             | 41,491            | 0.1               | 4,149.14          |
| Loan Servicing                | 37,569            | 0.1               | 3,756.90          |
| Core Processing               | 54,513            | 0.07              | 3,852.53          |
| Other Overhead                | 7,479             | 0.1               | 747.90            |
|                               | 216,692.18        |                   | 42,062.69         |

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### Correspondence #3

## FW: December 14, 2018 phone conversation about the Black Business Loan Program at FAMU FCU



**From:** Ernest Allen [mailto:EAllen@famufcu.com]  
**Sent:** Friday, December 28, 2018 11:18 AM  
**To:** DiNapoli, Michael <Michael.DiNapoli@deo.myflorida.com>  
**Cc:** Dean, Kechia <Kechia.Dean@deo.myflorida.com>  
**Subject:** December 14, 2018 phone conversation about the Black Business Loan Program at FAMU FCU

Dear Michael,

This email is a follow up to our recent phone conversation on Friday, December 14, 2018 about the administrative procedures for FAMU FCU under the 2017-2018 and 2018-2019 State of Florida Department of Economic Opportunity's Black Business Loan Program (BBLP). The contractual items specifically discussed and agreed upon during conversation are as follows ( all other items in the contract are as stated):

- FAMU Federal Credit Union will receive a guarantee from the awarded funds being held on Deposit in a designated State of Florida Special Investment Account (SIA).
- The guarantee is for 100% of the amount loaned under the BBLP.
- The average maturity of loans granted will not exceed five years.
- The loans will be made using FAMU FCU funds.
- Interest earned on the loans will be kept by FAMU FCU.
- Principal payments on outstanding loans will be reinvested into the BBLP.
- 12% Administrative Cost reimbursement will continue per the contract limits
- 9% Technical Assistance reimbursement will continue per the contract limits

In addition, FAMU FCU Board of Directors would like to go on record that the requirement to provide the certification that all required documents are in the loan file are not a part of the Florida Statue 288.7102 that governs the BBLP.

If you are in agreement with items discussed and agreed upon during the during the December 14, 2018 phone conversation we are ready to sign the contract and move forward continuing to provide the funding needed to have a positive impact on the Black Business Community in the State of Florida.

Let me know if you have any questions.

Thanks,

*Ernest Allen*, President/CEO  
FAMU Federal Credit Union