



December 23, 2019

**MINUTES
AUDIT COMMITTEE MEETING
Held: Monday, December 9, 2019**

Participants: James Young, Chair, Audit Committee
Dick Boulton, Vice Chair, Audit Committee
Renee DuBois, Audit Committee
Timothy Redmond, Audit Committee
Milton W. Matthews, President/CEO
Jackie Tuma, Chief Staff Liaison and Director of Internal Audit

Also present: Andrew Stack, Chair, CA Board of Directors
Lin Eagan, Member, CA Board of Directors
Susan Krabbe, Vice President and CFO

Mr. Young called the meeting to order at 7:00pm.

To form a quorum, Mr. Stack served as a voting member of the committee until Mr. Boulton arrived.

Ms. DuBois moved to approve the agenda and Mr. Stack seconded. The agenda was approved with a vote of 4-0-0.

For: Ms. DuBois, Mr. Redmond, Mr. Stack and Mr. Young
Against: None
Abstain: None

There were no "resident speakout" requests.

Ms. DuBois moved to approve the draft minutes from the September 23, 2019 meeting and Mr. Redmond seconded. The minutes were approved with a vote of 3-0-1.

For: Ms. DuBois, Mr. Redmond and Mr. Young
Against: None
Abstain: Mr. Stack (did not serve as a member of the committee on 9/23/19)

Mr. Boulton arrived at 7:01pm.

At 7:01pm, Ms. DuBois moved to close the meeting pursuant to HOA Section 11B-111.(4)(i, iv) to review a consultant's audit report. Mr. Redmond seconded the motion. The motion passed with a vote of 4-0-0.

For: Mr. Boulton, Ms. DuBois, Mr. Redmond, and Mr. Young
Against: None
Abstain: None

The meeting continued in closed session.

At 7:38pm, the open meeting reconvened.

Ms. Krabbe presented the FY20 second quarter Financial Report. Mr. Young requested that recent reclassifications be added to the *Operating Budget Adjustments* schedule in the Financial Report. Mr. Boulton requested that detail of "Other Fees" be included in the *Fees Expense* schedule in the Financial Report. Ms. DuBois requested an estimate of FY20 expenditures due to natural disasters. Mr. Young requested that the *Status of Capital Projects Over One Year Old* schedule in the Financial Report include dates projects are placed in service.

Ms. Krabbe presented the FY20 second quarter financial statements. Mr. Young requested the percentage of construction-in-progress in Other Property, Facilities and Equipment.

Mr. Boulton moved to provide the FY20 second quarter Financial Report to the Board of Directors. Ms. DuBois seconded. The motion passed with a vote of 4-0-0.

For: Mr. Boulton, Ms. DuBois, Mr. Redmond, and Mr. Young
Against: None
Abstain: None

Mr. Redmond moved to provide the FY20 second quarter financial statements to the Board of Directors. Ms. DuBois seconded. The motion passed with a vote of 4-0-0.

For: Mr. Boulton, Ms. DuBois, Mr. Redmond, and Mr. Young
Against: None
Abstain: None

The committee members discussed appointing CliftonLarsonAllen LLP as CA's external auditors for FY20, and they reviewed the firm's statement of independence.

Mr. Boulton moved to recommend that the Board of Directors appoint CliftonLarsonAllen LLP as CA's external auditors for FY20. Mr. Redmond seconded the motion which passed with a vote of 4-0-0.

For: Mr. Boulton, Ms. DuBois, Mr. Redmond, and Mr. Young
Against: None
Abstain: None

At 8:25pm, Ms. DuBois moved to close the meeting for a second time pursuant to HOA Section 11B-111.(4)(i, iv) to review several internal audit reports and consult with staff personnel on legal matters. Mr. Redmond seconded the motion. The motion passed with a vote of 4-0-0.

For: Mr. Boulton, Ms. DuBois, Mr. Redmond, and Mr. Young
Against: None
Abstain: None

The meeting continued in closed session.

At 9:25pm, the open meeting reconvened.

Ms. Tuma presented her proposal to change the name of the Office of Internal Audit to the Office of Audit and Advisory Services. The committee agreed with the proposal.

The committee reviewed the following documents:

- Open committee tracking form
- Audit Committee charter responsibilities checklist

As a matter of other business, Ms. Tuma provided the committee three articles describing recommended and best practices for corporate ethics programs. The articles are intended to provide information for the committee's next discussion about monitoring CA's ethics program (at the March 2020 meeting).

At 9:39pm, Mr. Redmond moved to adjourn the meeting. Ms. DuBois seconded the motion. The motion passed with a vote of 4-0-0.

For: Mr. Boulton, Ms. DuBois, Mr. Redmond, and Mr. Young
Against: None
Abstain: None