

## AUDIT COMMITTEE REPORT

REGULAR MEETING  
THURSDAY, SEPTEMBER 20, 2018, AT 11:00 A.M.

A regular meeting of the Audit Committee was convened by the Chairman, Dwight Walker, at 11:00 a.m. on Thursday, September 20, 2018, in the Board Room at Gateway Complex.

Members present were Dwight Walker, Chair; Alan Swanson, Vice Chair; Mary Neff, GRF Board Treasurer; John Kikuchi, Barbara Rothway, Sheldon Solloway, and Chris Yahng Roll Call

Representatives from BPM, external auditors, present were Jenise Gaskin, Managing Partner and Maria Melo, Manager, Assurance

Also attending were Tim O'Keefe, CEO; Rick Chakoff, CFO; Amanda Davis, Sr. Accountant; Merek Lipson, Resident/Committee Adviser; and GRF Board members: Bob Kelso, Sue Adams, Ken Anderson, Les Birdsall and Steve Roath

1. Minutes from the August 8, 2018 meeting were approved unanimously on a motion made by Alan Swanson and seconded by Mary Neff.
2. RESIDENTS' FORUM—there were no comments.
3. Jenise Gaskin and Maria Melo presented the audited financial statements of the GRF Pension Plan and 401k Plan.

A motion was made by Barbara Rothway, seconded by Mary Neff, and CARRIED UNANIMOUSLY to recommend acceptance of the Pension Plan Audited Financial Statements to the GRF Board.

Pension Plan

A motion was made by Mary Neff, seconded by Alan Swanson, and CARRIED UNANIMOUSLY to recommend acceptance of the 401k Plan Audited Financial Statements to the GRF Board.

401K Plan

4. AUDIT COMMITTEE CHARTER—Alan Swanson presented a draft of a refreshed Charter from the Task Force. Discussion ensued with members of the committee and the Board regarding some revisions.

A motion made by Sheldon Solloway, seconded by Mary Neff, and CARRIED UNANIMOUSLY to accept the Charter draft, with revisions included, (attached) for submission to the GRF Policy Committee for its review.

Draft Charter

5. WHISTLEBLOWER POLICY—John Kikuchi reported on the good progress that the Task Force made in a draft that enhances the current GRF employee policy to include outside vendors and other stakeholders. The Chair reported that he and Mary Neff met with Tim O'Keefe and Judith Perkins, GRF HR Manager, to review the draft and gained insightful feedback, including:

-2-

- Tim expressed a preference for a user-friendly format, such as the Tahoe Donner Whistleblower Protection Policy, that focuses on illegal and unethical actions.
- HR will handle email an "hotline", which will be the designated method of submitting Whistleblower concerns.
- John Kikuchi will take the draft back to the Task Force with these recommendations and submit a new draft to the Committee at the October meeting.

6. BPM 2018 AUDIT

- Rick Chakoff reported that BPM will present their proposal for the 2018 Audit at the October Committee meeting.
- Dwight Walker and Rick Chakoff reported that a number of comparable organizations have agreed to share audit/tax preparation fees for GRF for comparison purposes. A summary of this information and how it can be used will be submitted by Rick at the October Committee meeting.

7. GRF INTERNAL/INTERIM FINANCIAL STATEMENTS—Rick Chakoff presented an overview of the July 31, 2018 GRF Operations Statement, June 2018 GRF Trust Cash Flow Statement and June 30, 2018 MOD Balance Sheet and Revenue/Expenses Statement.

- It was noted that a combined set of financial statements is prepared at year end, including the Trust, GRF Operations and MOD Operations. Interim financial statements are prepared based on operating units as an effective management tool.
- A report entitled Operating Results by Department is used largely by the Finance Committee and contains the same operating results as the GRF Operations Statement.

8. DEFERRED ITEMS—Due to time constraints, the following items were deferred to the October Committee meeting:

- Member Transfer Fee Exemption Report
- Goals for Upcoming Year

9. ADJOURNMENT

There being no further business to come before the Committee, the meeting was recessed at 1:05 p.m. and reconvened in executive session at 1:05 p.m. in the Board Room at Gateway Complex.

10. NEXT MEETING:

The next regular meeting of the Audit Committee will be held on Thursday, October 23, 2018, at 11:00 a.m. in the Board Room at Gateway Complex.

  
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Dwight Walker, Chairman  
Audit Committee