

A G E N D A

AUDIT COMMITTEE

REGULAR MEETING
THURSDAY, JANUARY 17, 2019 AT 10:00 AM
BOARD ROOM – GATEWAY COMPLEX

- 1) MEETING CALLED TO ORDER: Dwight Walker, Chair
- 2) ROLL CALL: Dwight Walker, Alan Swanson, Mary Neff, John Kikuchi, Barbara Rothway, Sheldon Solloway, and Chris Yahng

INTRODUCTIONS: Tim O’Keefe, CEO; Rick Chakoff, CFO; Bob Kelso, GRF Board President; Merek Lipson, Resident and Committee Adviser

- 3) APPROVAL OF REPORT: November 13, 2018

- 4) RESIDENTS’ FORUM

The Audit Committee will follow Rossmoor custom and limit comments to 3 minutes.

- 5) ANNOUNCEMENTS

- a. Charter approved by Policy Committee

- 6) Management Issues for External Auditors Rick Chakoff

- 7) UNFINISHED BUSINESS

- a. Whistleblower Task Force—John Kikuchi, (Handout at Meeting)
- b. Member Transfer Fee Task Force Update—Mary Neff

- 8) NEW BUSINESS

- a. Code of Conduct Compliance
- b. Prioritize Committee goals
- c. Identify regular monthly meeting date and time

- 9) ADJOURNMENT

- 10) NEXT MEETING: (TBD)

cc: GRF Board

AUDIT COMMITTEE REPORT

REGULAR MEETING
TUESDAY, NOVEMBER 13, 2018, AT 1:00 P.M.

A regular meeting of the Audit Committee was convened by the Chair, Dwight Walker, at 1:00 p.m. on Tuesday, November 13, 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 and Chris Yahng. Excused absence: Sheldon Solloway. Roll Call

Also attending were Tim O'Keefe, CEO; Rick Chakoff, CFO; Chris Preminger, Business Operations Manager; Merek Lipson, Resident/Committee Adviser; and GRF Board members: Bob Kelso, Les Birdsall, Sue Adams, Carl Brown, Barbara Coenen, and Steve Roath.

1. Minutes from the October 23, 2018 meeting were approved unanimously on a motion made by Mary Neff and seconded by Barbara Roth.
2. RESIDENTS' FORUM— There were no Resident Forum speakers.
3. AUDIT COMMITTEE CHARTER—Alan Swanson reported on revisions to the proposed Charter in response to a legal review by GRF legal counsel. Draft Charter

A motion was made by Mary Neff, seconded by John Kikuchi, and CARRIED UNANIMOUSLY to approve the revised Charter.

With the Audit Committee's approval, the revised Charter will be submitted by Tim O'Keefe to the GRF Policy Committee for its second review.

4. WHISTLEBLOWER POLICY—John Kikuchi reported on the current draft incorporating a number of minor revisions to the proposal submitted at the previous Committee meeting. Three typos were noted as follows: (1) top of page 2—correct spelling of Retaliation; (2) top of page 3—remove redundant "civil authorities" and (3) page 3, second paragraph second sentence—reinstate the word "Chief" before Executive Officer. Draft Whistleblower Policy

A motion made by Mary Neff, seconded by Alan Swanson, and CARRIED UNANIMOUSLY to approve, after typos are corrected, the revised Whistleblower Policy.

With the Audit Committee's approval, the revised Whistleblower Policy will be submitted by Tim O'Keefe to the GRF legal counsel for review.

5. MEMBER TRANSFER FEE REPORT—Chris Preminger presented the October 31, 2018 Member Transfer Fee Report, noting the exemptions processed in accordance with GRF policies. A discussion ensued regarding the current MTF Task Force, which is evaluating multiple ownership of units

and their related membership fees. Mary Neff will present a report from the Task Force at the January Audit Committee Meeting.

6. Q3 FINANCIAL STATEMENT REVIEW –Rick Chakoff presented the Q3 interim financial statements for GRF, excluding MOD. Committee members benefited from learning about current trends in financial performance and Rick’s expert understanding of interim financial reporting. There was consensus that it would be beneficial to continue a quarterly financial review and that MOD Operations will also be included in the next review.
7. GOALS FOR THE UPCOMING 7 MONTHS—A discussion was held regarding goals for the Committee for the next 7 months. The following items were identified:
 - MTF Task Force review and understanding of system/controls in January
 - Assess external auditors in April
 - Review compliance with conflict of interest and code of conduct policies
 - Good understanding of internal controls and management assessment of effectiveness
 - Review and understand risk assessments developed by management and external auditors
 - Review of Whistleblower allegation reports by management
 - Calendar for standard meeting dates (Rick Chakoff)
8. ADJOURNMENT
There being no further business to come before the Committee, the meeting was adjourned at 2:43 p.m.
9. NEXT MEETING:
The next regular meeting of the Audit Committee TBD.

Dwight Walker, Chair
Audit Committee