



***GVR Mission Statement:*** “To provide recreational, social and leisure education opportunities that enhance the quality of our members’ lives.”

### **MINUTES AUDIT COMMITTEE**

Thursday, August 29, 2019 at 4:00 pm  
Las Campanas, Juniper Room

**Unanimously approved by committee Oct. 21, 2019**

COMMITTEE: Gail Vanderhoof, Chair; Don Weaver, Vice-Chair; Pat Reynolds, Ted Schultz, Terry Vogler

PRESENT: Gail Vanderhoof, Don Weaver, Pat Reynolds, Ted Schultz, Terry Vogler

Discussion of four excellent audit firms:

The Audit Committee unanimously agreed to give major weight in our decision to CFO’s input, as Cheryl will be the one working with the audit team. We also agreed that each and every firm interviewed would have been an excellent choice.

After receiving input from Cheryl, Kent and Don Overturf, the committee selected the independent accounting firm of HBL CPAs, P.C. as GVR’s 2019 auditor. We voted unanimously to select them. HBL had been rated as first or second choice by every participant.

The interview participants were the Audit Committee (Gail Vanderhoof, Don Weaver, Ted Schultz, Pat Reynolds and Terry Vogler), GVR management (Kent Blumenthal, Cheryl Moose and David Webster) and CPA Advisory Team (Don Overturf and Tom Sadowski).

The following were considerations discussed for our selection of HBL:

- Locally owned Tucson firm with 50 staff and professionals
- Technology advanced paperless office with advanced digital scanning and electronic capture of information software using a client-centric portal. This provides flexibility for both the audit firm and for our GVR financial department.
- A risk-based audit approach focusing audit emphasis to areas with higher risk potential
- The largest firm specialty is serving the NFP business segment
- Longest standing member of CPAmerica which ranks as the ninth largest global network of independent audit and advisory services firms in the world. Membership provides a vast array of resources to the firm and in turn to GVR.
- Quality audit and tax team assigned to the engagement
- Audit approach consisting of significant emphasis on understanding internal controls and the overall control environment not just substantive testing.
- Flexibility in working with GVR finance; good rapport with GVR finance
- Strong emphasis on communication with GVR management and Audit Committee
- Fees within expectations and a possible reduction in GVR Foundation fees if actual

hours required are less than expected.

## **PERTINENT BYLAWS:**

### **The Audit Committee:**

The Audit Committee shall occupy an oversight role of the financial structure, internal controls, etc. of The Corporation with access to the books and records and the activities of Management and Staff personnel.

The financial records of The Corporation shall be audited following the close of each fiscal year by an independent auditing firm.

### **The Treasurer:**

The Annual Meeting of The Corporation shall be held within ninety days (90) after the end of the fiscal year, and shall include a report of the outside auditor.

The Treasurer shall exercise an oversight role of the financial affairs of The Corporation to ensure that financial records are kept in accordance with generally accepted accounting standards. The Treasurer shall ensure that timely, accurate financial statements are presented to the Directors and that the financial records of The Corporation are audited in accordance with the provisions of these Bylaws.

## **ACCOMPLISHMENTS TO DATE: (August 29, 2019)**

Determined we need an external independent financial audit.

Discussed requirements: nonprofit knowledge and multiple CPAs for variety of expertise.

Selected qualifying auditors and chose top five firms.

Drafted and approved RFP. (Request for Proposal)

Sent RFPs.

Researched Nonprofit Council & AICPA model documents:

- Audits

- Role of Audit committees

- “Separation” requirements

- Audit Policy requirements

- Whistleblower requirements

- Tax form required review of 990

Passed motion to update bylaws for board vote

Obtained documents: 3 years of 990s, audits, management letters. (draft of one – Cheryl will send final one later)

Draft of audit policy.

Compiled unresolved items from previous audits.

Set requirement for involvement 2018 990 draft.

Reviewed, recommended changes, and approved IRS Form 990 for 2018

Chose an audit firm for recommendation to board.