

Committee Name:	Audit Committee	Session #:	Report #:
Committee Chair:	Elyce Dilworth	Vice Chair:	Teddy Decker
Minutes recorded by:	Elyce Dilworth	Date/time of meeting:	June 8, 2018/8:45 a.m.

Motions Passed:

1.

Number of committee members present: 6	Absent: 0	Number of other delegates present: 2
Committee members present (list all, including chair and vice chair): Elyce Dilworth (Chair), Teddy Decker (Vice Chair), Phil Dodson, Jeanne Ensign, Jill Gellatly, Laura Winslow, Ralph Davis (Treasurer, ex-officio) and Susan Kuhlman (Chief Financial Officer, ex-officio).		

Minutes

The meeting was called to order at 8:45 a.m.

1. Review of Draft Materials –The Audit Committee (the “Committee”) reviewed and discussed the draft financial statements and Form 990 tax return. The Committee summarized their comments on the various documents for further discussion with representatives from Kerkering, Barberio & Co. (“K&B”) later in the meeting. The Committee agreed to review the presentation of functional expenses and footnotes related to investments and the endowment fund for the 2018 financial statements.
2. Report from Chief Financial Officer – Ms. Kuhlman discussed changes to Swimming Saves Lives including the Fitness series and Adult Learn to Swim programming. She also discussed procedures to update the disaster recovery plan and the status of moving fund transfers between the National Office and the LMSCs from check to EFT.
3. Review of Conflict of Interest Form – The Committee reviewed the form and made updates, including the addition of a requirement that a response be provided for each item rather than left blank.
4. Discussion of LMSC Mandatory Standard for Bank Reconciliations – The Committee reviewed and discussed the current standard for independent review of LMSC bank reconciliations. The Committee concluded no changes were needed.
5. Discussion of Changes to FOG – There were no proposed to changes to FOG.
6. Presentation by K&B - Laura Brock and Rebecca Stoner of K&B joined the meeting to discuss the 2017 audit results and tax return. Lynn Watson, Staff Accountant of USMS, also joined the meeting. Ms. Brock reviewed the required communications with the Committee and noted K&B would be issuing an unmodified opinion. She indicated no material weaknesses were detected in the internal control system, no illegal acts or irregularities were noted and there were no management recommendations. Ms. Brock also discussed two reclassification entries to the financial statements and stated there were no proposed audit adjustments or uncorrected misstatements.

Ms. Brock summarized the impact of upcoming accounting standards related to revenue recognition and lease accounting concluding there would be little impact to the organization’s financial statements. She also discussed new accounting standards for not-for-profit entities which will be effective for the organization’s 2018 financial statements.

The Committee discussed their comments and questions with K&B regarding the financial statements. The Committee also reviewed and discussed the tax return with K&B.

Ms. Brock noted K&B was very pleased with the quality of the audit materials and financial statements and the assistance provided by Ms. Kuhlman and her staff during the audit. Ms. Kuhlman and Ms. Watson were excused from the meeting so that the Committee could meet in executive session with K&B. The Committee thanked K&B for their presentation and Ms. Brock and Ms. Stoner left the meeting.

7. Report from Chief Executive Officer – Ms. Kuhlman and Mr. Hughes joined the meeting. Mr. Hughes discussed membership renewal, new member and programming initiatives, College Club Swimming and phase II of the IT modernization project.
8. Executive Session – Ms. Kuhlman was excused from the meeting. The Committee held its annual executive session with Mr. Hughes.

There being no further business, the meeting was adjourned at 4:45 p.m.
