



Meeting Minutes - Draft

Audit Committee

Monday, April 1, 2019

9:30 AM

PEC Headquarters Auditorium

Open Session of this Audit Committee Meeting was held in the PEC Auditorium and was video recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

This meeting was called to order at 9:35 am on April 1, 2019 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Present: 3 - Amy Akers, Randy Klaus and Milton Rister

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

Without objection the items listed under Consent Items were approved by general consent.

1. [2019-134](#) **Resolution - Approval of Good Cause for Telephonic Participation in the April 1, 2019 Audit Committee Meeting - D Ballard**
 Body: **NOW, THEREFORE, BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the committee has determined that it is in the best interest of the Cooperative to hold a meeting this day to consider an Audit Committee matter and good cause exists to allow telephonic participation by Directors in the meeting because a quorum may not be reached for the meeting without authorized, telephonic participation by one or more Directors; and

 BE IT FURTHER RESOLVED that the Audit Committee approves telephonic participation by Directors in the meeting; and

 BE IT FURTHER RESOLVED that the Chief Executive Officer or designee is authorized to take such actions as needed to implement this resolution.
 Consent item approved.

2. [2019-101](#) **Friday, September 14, 2018 - Audit Committee Meeting Minutes**
 Attachments: [2018-09-14 Audit Committee Minutes - draft2](#)

 Consent item approved.

Member Comments (3 minute limitation or as otherwise directed by Board)**3. [2019-102](#) Member Comments**

Attachments: [2015-09-21 Decorum Policy \(reference material\)](#)

There were no members wanting to address the Board.

Open Session**Recess to Executive Session**

Chairperson Amy Akers announced the items to be discussed in Executive Session and at 9:36 am stated the Audit Committee would go into Executive Session.

Executive Session - Legal Matters**4. [2019-135](#) Matters in Which the Committee Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****Executive Session - Contract and Competitive Matters****5. [2019-103](#) Presentation of 2018 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)****6. [2019-104](#) Resolution - Approval of Acceptance of 2018 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - J Davis**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board of Directors hereby approves the draft Independent Auditor's Report and Financial Statements for the fiscal year ending December 31, 2018, in the form attached hereto, as the draft Independent Auditor's Report and Financial Statements ("Financial Statements"); and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Financial Officer or Acting Chief Financial Officer of the Cooperative, or his designee, and the Cooperative's accountants are authorized to publish the Financial Statements as the draft and official Financial Statements of the Cooperative for fiscal year ending December 31, 2018.

Reconvene to Open Session at 10:05 am**Items from Executive Session**

[2019-104](#)

Resolution - Approval of Acceptance of 2018 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - J Davis

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board of Directors hereby approves the draft Independent Auditor's Report and Financial Statements for the fiscal year ending December 31, 2018, in the form attached hereto, as the draft Independent Auditor's Report and Financial Statements ("Financial Statements"); and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE

that the Chief Financial Officer or Acting Chief Financial Officer of the Cooperative, or his designee, and the Cooperative's accountants are authorized to publish the Financial Statements as the draft and official Financial Statements of the Cooperative for fiscal year ending December 31, 2018.

Director Randy Klaus made a motion to approve the recommendation of the draft Independent Auditor's Report and Financial Statements with minor modifications as discussed in Executive Session.

A motion was made by Director Klaus, seconded by Director Rister, that this item be approved. The motion carried by the following vote:

Yes: 3 - Chairperson Akers, Director Klaus and Director Rister

Adjourn

There being no further business to come before the Board of the Directors, the meeting was adjourned at 10:07 am.

Approved:

Amy Akers, Audit Chairperson