

***Fire & Police Pension Association  
Audit Committee Meeting Agenda***

June 6, 2017

7:30 a.m.

**7:30 a.m. Call to Order**

**Approval of April 19, 2017 meeting minutes**

**7:35 a.m. Independent Auditors' presentation.**

*Presenter: Bill Petri and Michelle Alexander, CliftonLarsonAllen LLP*

1. Financial Statement audit.
2. Independent Auditors' report.
3. Governance report.
4. Independent Auditors' report on Internal Controls.
5. Governmental Accounting Standards Board (GASB) Statement No. 68 Report on the Statewide Defined Benefit Plan and Statewide Hybrid Plan – Defined Benefit Component.
6. Audit Committee discussion with Independent Auditor.

**8:15 a.m. Review of December 31, 2016 Comprehensive Annual Financial Report (CAFR).** *Presenters: Kim Collins, Ahni Smith*

**8:35 a.m. Review June 9 presentation to Board on Audit/CAFR.** *Presenters: Dan Slack, Kim Collins*

**8:50 a.m. Internal Auditor Report on Expense Reports Review.** *Presenters: Keith Galante and Courtney Reikofski, Paragon Audit & Consulting, Inc.*

**9:05 a.m. Break**

**9:20 a.m. Financial, GASB 68, and SSAE 18 SOC 1 Type 2 Audit Transition Plan.**  
*Presenter: Lealan Miller, Eide Bailly, LLP*

**9:40 a.m. Change next meeting date from 9/8 to 9/19.**

**9:45 a.m. Evaluation of CliftonLarsonAllen LLP.** *Presenters: Dan Slack, Kim Collins*

**10:15 a.m. Adjournment**

## **FIRE AND POLICE PENSION ASSOCIATION**

Minutes – Audit Committee Meeting

June 6, 2017

FPPA Office  
5290 DTC Parkway, Suite 100  
Greenwood Village, CO

Committee Members Present: Chair Jack Blumenthal, Pam Feely, Nick Nuanes

Staff Members Present: Dan Slack, Kim Collins, Kevin Lindahl, Scott Simon, Ahni Smith, and Karen Moore

Others Present: Bill Petri, CliftonLarsonAllen LLP; Keith Galante, Paragon Audit & Consulting, Inc.; Lealan Miller and Sara Kurtz, Eide Bailly, LLP

*Notice of this meeting and a copy of the agenda were posted in the building lobby of the FPPA office and on the FPPA website at least twenty-four hours prior to the meeting.*

At 7:30 a.m., Chair Blumenthal called the meeting to order.

Ms. Feely moved to approve the minutes of the April 19, 2017, meeting. Mr. Nuanes seconded the motion. The motion passed.

### Independent Auditors' presentation

At 7:34 a.m., Mr. Petri, CliftonLarsonAllen LLP (CLA), presented the audit procedures and the results of FPPA's 2016 Financial Statement Audit. The CLA audit will result in an unmodified opinion. CLA's report on internal control over financial reporting will state that there were no issues identified of material weaknesses or significant deficiencies in internal controls. CLA's Governance Letter will highlight the adoption of new Government Accounting Standards Board Statement (GASB Statement) No. 72, Fair Value Measurement and Application, implemented in this year's audit. The Governance Letter will also highlight that the accounting estimates used for fair value of investments are reasonable and the estimate of the net pension liability determined that actuarial assumptions are reasonable.

CLA also presented the GASB 68 audit requirements on the Statewide Defined Benefit Plan and the Statewide Hybrid Plan – Defined Benefit Component and the processes followed. CLA provided a tentative, clean audit opinion letter on the GASB 68 reports.

At 7:35 a.m., Mr. Lindahl joined the meeting.

At 7:42 a.m., Chair Blumenthal excused staff and guests to meet privately with CLA. Mr. Slack, Mr. Lindahl, Ms. Collins, Mr. Simon, Ms. Smith, Ms. Moore, Mr. Galante, Mr. Miller, and Ms. Kurtz left the room.

At 7:48 a.m., Mr. Slack, Mr. Lindahl, Ms. Collins, Mr. Simon, Ms. Smith, Ms. Moore, Mr. Galante, Mr. Miller, and Ms. Kurtz returned to the meeting. Chair Blumenthal thanked CLA for their work on the

audit. Mr. Petri stated that the audit went smoothly this year and thanked staff for their participation in the process.

Review of December 31, 2016 Comprehensive Annual Financial Report (CAFR)

At 7:49 a.m., the Committee requested some clarifying language in the Letter of Transmittal to the Colorado Springs New Hire Pension Plan. Mr. Petri noted that the CAFR is in the final review and that clarifying language can still be added. Staff will prepare and add clarifying language to the CAFR.

Ms. Collins thanked staff and Ms. Smith for their work on the CAFR. Ms. Collins proceeded in the review of the CAFR Summary Highlights. Ms. Smith proceeded with the review of the Financial Section.

Mr. Simon reviewed the Investment Section of the CAFR.

Ms. Collins reviewed the Actuarial and Statistical Sections of the CAFR. This year, the plans were color coded to assist readers in their review of a specific plan. GRS reviews and provides the certification letter.

Mr. Blumenthal questioned the use of long-term expected rate of return versus assumed rate of return. Staff confirmed that the term utilized in the report is a requirement of GASB 67 and will add clarifying language to the CAFR.

The presentation concluded.

Review June 9 presentation to Board on Audit/CAFR.

At 8:22 a.m., Mr. Slack and Ms. Collins proposed providing the CAFR Presentation to the Board for the upcoming Board meeting. The committee agreed.

At 8:26 a.m., Mr. Petri left the meeting.

Internal Auditor Report on Expense Reports Review

At 8:27 a.m., Mr. Galante, Paragon Audit & Consulting (PAC), presented the internal audit report on expense reports. PAC found no major findings during the audit. PAC did find that the travel and expense policy should be revisited.

At 8:38 a.m., Chair Blumenthal called for a break.

Financial, GASB 68, and SSAE 18 SOC 1 Type 2 Audit Transition Plan.

At 8:55 a.m., meeting reconvened. Mr. Miller, Eide Bailly, LLP, provides estimated schedules for the 2017 audits. Staff and auditors will finalize the schedules. The Committee confirmed that these schedules are acceptable. Mr. Lealan will have more information at the September meeting.

Change next meeting date from 9/8 to 9/19.

At 8:59 a.m., Ms. Collins requested that the September meeting be moved to September 19. Meeting is tentatively moved, pending Mr. Nuanes confirming his schedule.

*Evaluation of CliftonLarsonAllen LLP*

At 9:01 a.m., Mr. Slack and Ms. Collins discussed the annual evaluation of CliftonLarsonAllen. Mr. Blumenthal and the Committee discussed that since the evaluation did not substantively change from last year, there was no need to complete an in-depth review during Committee. The Committee approved the evaluation on CliftonLarsonAllen.

*Other Items*

At 9:07 a.m., Chair Blumenthal and Staff discussed language from the Audit Procurement Policy. Ms. Collins confirmed that the language is from the Government Finance Officers Association. The Committee would like to review the language in September.

At 9:11 a.m., Vice Chair Feely moved the Audit Committee recommend the CAFR to the Board for its June meeting. Mr. Nuanes seconded the motion. The motion is passed.

At 9:12 a.m., Vice Chair Feely moved to adjourn the meeting. Mr. Nuanes seconded the motion. Meeting adjourned.