



McRae requested a motion to accept the audited financial statements for the year ended December 31, 2017.

On a motion by McRae and a second by Johnston, the committee unanimously accepted the audited financial statements as presented for the year ended December 31, 2017.

Committee members

- Michael Johnston
- Kevin McRae
- Jeff Norton

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- ◆ = abstain or recuse

Vande Vooren and Freeman left at 1:03 pm.

**2017 Form 990.** Burns reviewed the 2017 IRS Form 990 with the committee. McRae and Johnston had questions relating to the Executive Director's compensation. Further documentation was provided, and they were satisfied.

Norton wanted to know how much money was paid to treat "red rice." Burns indicated that no Conservancy funds were used to treat "red rice" on the Lucich South property. Norton stated that money had been budgeted for it. Burns affirmatively stated that funds had been budgeted but not spent. Norton pressed that money had been budgeted for treatment of "red rice." Burns again stated that funds had been budgeted however no Conservancy funds were used to treat the "red rice" issue on the Conservancy's Lucich South property.

Norton asked about the line items Property Maintenance and Land Management. Burns informed the committee that Property Maintenance was for maintaining the Conservancy's managed marsh properties for which the Conservancy did not have a set contract (e.g. well repairs, well maintenance, barn repairs, repair and maintenance for the rental houses, weed abatement materials, etc). Norton wanted to know which line item from which Sopwith Farms was paid. Burns indicated that Sopwith Farms, land management contractor, was found on the Form 990, Part IX Statement of Functional Expenses, line 11g "Other."

Norton queried as to the nature of the high legal expenses. Burns indicated that according to her calculations of the approximately \$183,000 spent on legal expense in 2017, \$100,000 were Board-related and the remaining \$83,000 were general Conservancy business. Norton demanded to know more about the 2017 legal expenses. Johnston and McRae settled on scheduling another Audit Committee meeting to review the 2017 legal expenses as well as legal counsel work product.

The committee reviewed the remainder of the 2017 IRS Form 990.

On a motion by McRae and a second by Johnston, the committee unanimously accepted the 2017 IRS Form 990.

Committee members

- Michael Johnston
- Kevin McRae
- Jeff Norton

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- ◆ = abstain or recuse

Annual review of Executive Director credit card statements. The committee reviewed the Executive Director's 2017 credit card statements and noted there was nothing identified worth reporting.

## **PUBLIC COMMENT**

There were no members of the public present.

## **ADJOURNMENT**

On a motion by Johnston and a second by Norton, the committee adjourned the meeting of the Audit Committee at 1:45 p.m.

### Committee members

- Michael Johnston
- Kevin McRae
- Jeff Norton

### Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- ◆ = abstain or recuse

## **ATTEST:**

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*Committee Chair*

\_\_\_\_\_  
*Date*