**Tuberous Sclerosis Alliance**

**Audit Committee Meeting Minutes**

**June 13, 2017**

*Approved September 12, 2017*

In Attendance:

**Voting Committee Members:** Mike Caggiano (Chair), David Michaels, Julie Scroggins

**Non-voting Committee Members:** Rita DiDomenico**,** Steven Goldstein

**Staff:** Kari Luther Rosbeck, Rich Gollub

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With a voting quorum established, Mike Caggiano called the meeting to order at 4:01pm ET.

**Approval of the March 24, 2017 Audit Committee Meeting Minutes**

A motion was made to approve the March 24, 2017 Audit Committee meeting minutes as written (*Caggiano, Scroggins*). *The minutes were approved without dissent.*

**Discussion of CPA firm to perform 2017 audit and tax return preparation**

Mike Caggiano reminded the Committee that the organization is now entering the second year of a 3 year engagement proposal with Bond Beebe which included increases of $500 for this year and the coming year. Including the $500 increase, the total fees for the consolidated audit and separate tax filings for the TS Alliance and the Endowment Fund will be $25,500 for this year.

The Committee asked if there were any bumps or surprises in this past year’s audit process given that this was the first year after changing audit firms. Overall, the process moved along very smoothly. The only issue that caused delays was when we raised the question we raised about whether or not the Endowment needed to make annual distributions. This led to the discussion as to what type of supporting organization the Endowment functions as.

Given the overall satisfaction with this past year’s audit, there was agreement to continue the 3-year agreement with Bond Beebe serving as the organization’s audit firm.

A motion was made to retain Bond Beebe for the 2017 audit *(Caggiano, Scroggins). The motions passed without dissent.*

**Review of progress on 2017 Audit Committee Goals and discussion of Goals for 2018**

With one exception, the Committee agreed that all 2017 Goals are being addressed, or scheduled to be addressed by the end of the year. The only goal that the Committee identified as needing to devote more time to; was the oversight of estimates provided by management in the footnotes to the audited financial statements. The Committee agreed to review those estimates at its next scheduled meeting.

The Committee agreed that the 2017 Goals would also serve as a good model in establishing Audit Committee goals for the coming year and reviewed the draft goals for 2018

A motion was made to accept the 2018 Audit Committee goals (*Caggiano, Scroggins*). *The motion passed without dissent.*

**Update on the legal review of the Endowment Fund’s supporting organization relationship to the TS Alliance**

Kari Rosbeck and Rich Gollub brought the Committee up to date on recent discussions with the organization’s attorneys at Adler & Colvin and with the auditors at Bon Beebe.

The attorneys explained that while the Endowment Fund was operating as a Type II supporting organization based upon the facts and circumstances, it would have a stronger case if it was clear that there was more overlap of the governing bodies of the TS Alliance and the Endowment Fund. Alternatively, the Endowment Fund could opt to become a Type I supporting organization if it was to allow the TS Alliance to appoint a majority of the Endowment Board. This action would require amending the Endowment’s bylaws and filing a form with the IRS.

The auditors agreed with the suggestions made by our attorneys at Adler & Colvin.

The Endowment Fund Board of Directors will be discussing the supporting organization issue at its upcoming Board of Directors meeting.

**Other Business and Adjournment**

To prevent internal and external fraud, the Committee discussed reviewing our cyber security liability coverage to see if any modifications should be made to protect the organization.

Future Committee meetings were discussed and Committee members expressed interest in having Bond Beebe audit partner Larry Hoffman join the October 13 meeting in Baltimore to further the discuss the upcoming FASB rules changes. There was also interest in seeing how the current year financial statements would look on a pro-forma basis – applying the 2018 rule changes.

There being no further business, Mike Caggiano moved to adjourn the meeting (*Michaels, Scroggins*). With no objections, the meeting was adjourned at 4:46 pm.

Respectfully submitted,

Rich Gollub

Controller & CFO