

**DRAFT MINUTES  
CBB BUDGET AND AUDIT COMMITTEE  
GAYLORD RESORT AND CONVENTION CENTER  
DENVER, CO  
WEDNESDAY, JULY 31, 2019  
7:30 am – 9:00 am**

**Call to Order**

Chairman Rob Von der Lieth called the meeting to order at 7:30 a.m. mountain time.

**Members Present**

Rob Von der Lieth, Chairman  
Norman Voyles, Vice Chairman  
Kent Bamford  
D.J. Edwards  
Jim Eschliman

Bill McLaren  
Kathy Sautter  
C.W. Senn  
Hugh Sanburg, Ex Officio

**CBB Staff Present**

Greg Hanes, CBB CEO  
Jeff Lutz, CBB CFO  
Cyndi Heimerich, CBB  
Sara Arp, CBB

Charlotte Coates, CBB  
Sarah Metzler, CBB  
Cheryl Conley, CBB

**Guests Present**

Wayne Watkinson, CBB legal counsel  
Adam Pyzdrowski, CliftonLarsonAllen  
Kahl Sesker, USDA/AMS  
Alex Caryl, USDA/AMS

**Agenda**

Chairman Von der Lieth asked for a motion to approve the agenda. Kent Bamford moved and C.W. Senn seconded approval of the agenda. Motion passed.

**Minutes**

Chairman Von der Lieth asked if there were any additions or changes to the January 31, 2019 meeting or April 29, 2019 conference call minutes.

Jim Eschliman moved and Norman Voyles seconded approval of the minutes. Motion passed.

**Review Responsibilities of Audit Committee**

Chairman Von der Lieth referenced the document distributed to the committee members outlining the responsibilities of the committee. He asked Jeff Lutz to review the document. Chairman Von der Lieth asked if there were any questions. A question was asked as to why the detail administrative budget is not part of the Budget and Audit committee purview. Wayne Watkinson explained the executive committee has the responsibility over the detail administration budget. Norman Voyles suggested CBB provide a breakdown of the budget for better clarification.

### **Presentation of FY 2019 Audit Procedures**

Adam Pyzdrowski, CliftonLarsonAllen, reviewed the auditor's responsibilities and the procedures to be performed on the Beef Board's financial statements for FY 2019.

### **Presentation of FY 2019 Audit Engagement Letter**

Adam Pyzdrowski, CliftonLarsonAllen, presented the executed audit engagement letter for FY 2019 to the Committee. Chairman Von der Lieth asked if there were any questions regarding the audit engagement letter. There were none.

### **Update on CBB's Contract Compliance Review Procedures**

Jeff Lutz updated the committee on the contract compliance review procedures. The fiscal year 2019 Contractor Compliance reviews have gone well and CBB has not identified any significant issues. The Contractor Compliance review procedures are performed on a monthly or quarterly basis and consist of selecting samples and testing the supporting documents.

### **Other Business**

Greg Hanes provided an update on CBB's possible office move.

Jeff Lutz indicated we still have 3 more months left in the 2019 fiscal year and noted CBB is expecting the 2019 Assessment Revenue to exceed the total 2019 Assessment Revenue projection based on the USDA July 2019 Cattle Inventory. Any excess Assessment Revenue will be advanced into next year's budget.

Jeff Lutz also noted that AMS is scheduled to perform a compliance review of CBB the week of August 26<sup>th</sup>.

Jeff Lutz and Greg Hanes discussed the FY 2020 Proposed Budget Amendment to the Program Development category. CBB staff is recommending increasing the Program Development Budget by \$139,500 for a revised Program Development Budget of \$474,500. This increase in the program Development Budget is needed to more accurately reflect the true costs associated with this budget component.

Jim Eschliman moved and C.W. Senn seconded approval of the FY 2020 Proposed Budget Amendment to the Program Development category. Motion passed.

### **Executive Session**

Chairman Von der Lieth called the committee into executive session at approximately 8:45 a.m. for discussion with Adam Pyzdrowski of CliftonLarsonAllen. CBB staff members and the gallery were excused. The executive session ended at approximately 8:55 a.m.

### **Adjourn**

There being no further business, Chairman Von der Lieth asked for the meeting to be adjourned.

C.W. Senn moved and Kent Bamford second the meeting be adjourned at approximately 8:55 a.m. Motion passed.