

AUDIT COMMITTEE MEETING
BOARD OF ADMINISTRATION
OF THE
WATER AND POWER EMPLOYEES' RETIREMENT PLAN
MINUTES

December 16, 2015

Committee Members Present:

Barry Poole, Chair
Timothy Hemming, Retiree Member

Committee Members Absent:

Mario Ignacio, Member

Staff Present:

Linda P. Le, Retirement Plan Manager
Monette Carranceja, Asst. Retirement Plan Manager
William Feng, Senior Utility Accountant
Mary E. Alvarez, Utility Executive Secretary

Others Present:

James Napier, Deputy City Attorney

Mr. Poole called the meeting to order at 8:49 a.m.

Ms. Le stated that a quorum of the Audit Committee was present.

Ms. Alvarez stated there were no requests for public comment.

1. Discussion of the Request for Proposal for Services to Conduct Annual Audits of Financial Statements and Perform Related Advisory Services for the Water and Power Employees' Retirement Plan

Ms. Carranceja presented the report to recommend that the Retirement Board pursue a Request for Proposal for Services to Conduct Annual Audits of Financial Statements and Perform Related Advisory Services for the Water and Power Employees' Retirement Plan.

The Audit Committee recommended that the Retirement Board Adopt Item No. 1.

2. Discussion of the Death Benefit Fund and the Applicable Governmental Accounting Standards Board Statement

Ms. Carranceja discussed the Death Benefit Fund and the Applicable Governmental Accounting Standards Board Statement (GASB).

Ms. Carranceja requested that the Audit Committee recommend the Retirement Board rescind adoption of Resolution No. 16-26; and to accept the letter regarding GASB 43/45, by Segal Consulting, dated December 3, 2015.

The Audit Committee recommended that the Retirement Board Adopt Item No. 2.

3. Discussion of the Extracted Financial Statements Report for the Retirement Fund for Fiscal Years Ended June 30, 2014, and 2013, as Reported at the December 10, 2014, Retirement Board Meeting

Mr. Feng presented the Extracted Financial Statements Report for the Retirement Fund for Fiscal Years (FYs) Ended June 30, 2014, and 2013. Mr. Feng discussed the implementation of GASB 68, effective FY 2014/2015. He noted that KPMG auditors stated that they only need the retirement fund portion from last year's financial statements to be extracted from the previous reports.

Mr. Feng requested that the Audit Committee recommend that the Retirement Board approve the extracted report.

Mr. Feng introduced Grace Yuen and Melba Simpson from Simpson and Simpson, CPA's, who agreed with the recommendation.

The Audit Committee recommended that the Retirement Board Adopt Item No. 3.

4. Discussion of the Plan's Annual Audit Report and Related Financial Statements as of June 30, 2015, as Presented By Simpson & Simpson, CPA's

Mr. Feng presented the Plan's Annual Audit Report and Related Financial Statements for FY Ended June 30, 2015. Mr. Feng noted the Plan's 2014/2015 financial statement will reflect a modified reporting format to conform with GASB reporting requirements.

Mr. Feng introduced Ms. Yuen and Ms. Simpson, who presented the required communications and financial statements.

The Audit Committee recommended that the Retirement Board Adopt Item No. 4.

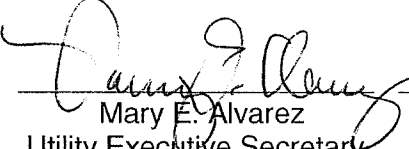
There being no further business, the meeting adjourned at 9:10 a.m.



BARRY POOLE 1/27/2016
Chairperson Date



Linda P. Le 1/27/16
Retirement Plan Manager Date



Mary E. Alvarez 1/27/16
Utility Executive Secretary Date