

NATIONAL PROCESSED RASPBERRY COUNCIL

Executive Committee Conference Call

September 9, 2014, 11:00 a.m. PDT

Committee Members Participating:

John Clark
 Rob Dhaliwal
 Brad Rader

Others Participating:

Tom Krugman Tarun Harit
 Tom Skilton

A. Establish Quorum

The meeting was called to order by John Clark at 11:02 a.m. Roll Call disclosed a quorum to be present.

B. Approval of May 28, 2014 Minutes

On a motion by Brad, seconded by John, the minutes of the May 28, 2014 meeting of the Executive Committee were unanimously approved as submitted.

C. Review: Proposed Audit Letter of Engagement

Tom K asked Tarun to review the Audit process and the Committee's responsibilities. Tarun stated that the Council is required to have a financial audit each year. He had discussed the AMS Audit requirements with Daniel Obbink, Larson Gross by phone. A template for the Letter of Engagement was supplied, and the draft Letter of Engagement that was sent to the Committee for review and adoption was then produced. It includes a copy of Larson Gross's peer review, accomplished within the last three years as required. The peer review looks at a firm's internal controls and procedures.

The next step is for AMS to conduct an Entry Interview with Larson Gross. Members of the Executive Committee can participate in the call along with management and outside counsel; a quorum is not required. The Entry Interview will review proposed audit procedures, what documents will be reviewed, and any questions Committee members have for the Auditors.

After completion, AMS will conduct an Exit Interview with participation of the Executive Committee along with management and outside counsel. Any outstanding questions or findings will be discussed at this time. At this point, a draft report will be issued for AMS review. Once reviewed and approved, the Audit will be presented to the Committee for its acceptance and presentation to the Council.

Tarun went on to discuss the need for a Management Performance Review, which, while looking at financial management, also examines contracts, invoice processing and approval process, financial controls, and other internal accounting practices. AMS Guidelines call for a Management Performance Review no less than once every three years. It was his suggestion to wait until two to three months after the financial audit to conduct the Performance Review, with it being repeated every two years. Members of the Committee agreed. These Reviews are

conducted by Tarun and one other member of the AMS staff, and generally take three days to complete.

After brief discussion, on a motion by Brad and seconded by Rob, the Letter of Engagement with Larson Gross was unanimously approved.

D. Proposed Budget Amendment

As part of engaging Larson Gross, it was noted that the proposed fee to conduct the Audit was \$15,000, but only \$7,500 had been included in the FY 2015 Budget.

On a motion by Brad and seconded by Rob, it was unanimously approved to recommend to the Council at its November meeting an amendment to the line item in the FY 2015 budget for Financial Audit from \$7,500 to \$15,000.

E. Other Business; Adjourn

John asked Tom K to review the status of Custom's fees associated with implementation of import assessment collection, and USDA User and implementation fees. Tom stated that no invoice from US Customs to program its computers has been received and there was an expectation that none would be forthcoming. Tarun suggested that if one did come in the future, funds should be kept in reserve for this purpose. Tom noted that an invoice had been received from USDA/AMS for implementation costs that had accrued in 2011-2013, and that he was expecting another invoice for 2010. Funds to pay these were in both the FY 2014 and FY 2015 budgets, and that the Council is current on costs associated with FY 2014.

There then being no further Committee business, on a motion by Brad, seconded by Rob and unanimously approved, the Conference Call was adjourned at 11:27 a.m.