

## **BOARD AUDIT COMMITTEE MEETING MINUTES**

The Board Audit Committee (“the Committee”) met at the office of the Cooperative at 5496 North U.S. Highway 85, Sedalia, Colorado 80135, at 9:00 a.m., on October 22, 2025.

Present were Committee Members Jim Anest, Bob Graf, and Ron Kilgore (virtual). Chief Financial Officer Laurie Burkhart, Chief Executive Officer Pam Feuerstein, Controller Emily Meek, Chief Audit Executive Wade Pynes, Executive Assistant to the Chief Financial Officer Karen Sauls, General Counsel Anne Zellner Sherwood, and Board President Tim White were also in attendance. Baker Tilly Principal Julie Desimone attended virtually.

Mr. Graf called the meeting to order.

### **1. Approval of Minutes**

The Minutes from August 26, 2025, were reviewed. Mr. Graf noted that the decision to discontinue interest payments on member deposits was brought before the Board with a recommendation from the Audit Committee for adoption in the revision of the Rates and Regulations. This clarification will be added to the Minutes.

Upon motion by Mr. Anest, seconded by Mr. Kilgore, the Audit Committee unanimously approved the amended August 26, 2025, meeting minutes, as presented.

### **2. Executive Session**

The Committee convened an executive session at 09:03 a.m. with Ms. Burkhart, Ms. Feuerstein, Mr. Pynes, and Mr. White.

### **3. Financial Statement Audit Plan and Scope of Work – Baker Tilly**

The remaining staff not present for Executive Session rejoined the meeting at 9:43 a.m. Ms. Desimone also virtually joined at this time.

Ms. Desimone presented the 2025 financial statement audit plan which included a review of the scope of services, auditor’s responsibilities, significant risks identified, fraud considerations, timeline, deliverables, and expectations. Committee members posed questions throughout the presentation, and Ms. Desimone responded.

Ms. Desimone exited the meeting at 10:06 a.m.

#### **4. Audit RFP for 2026 – 2028**

The committee discussed whether to issue a new RFP for audit services or continue with Baker Tilly. It was determined that an RFP for new auditors was not necessary at this time and instead should be considered after six years from the last RFP issued (2023). It was the consensus of the Committee to request a new three-year pricing proposal from Baker Tilly.

#### **5. Quarterly Oversight Report**

Going forward, Section 1 (Internal Audit Activities) will be provided and signed off by the Chief Audit Executive in a separate report.

There were no Red Flag Reports submitted to the CEO or People Operations Director during the quarter. Additionally, Mr. White and Mr. Graf, in their capacities, confirmed that no Red Flag Reports were submitted to them during this reporting period.

#### **6. CFO Report**

Ms. Burkhart presented on lease accounting and discussion ensued. To mitigate the impact on member rates, Ms. Burkhart proposed using regulatory accounting to defer the incremental expense as a regulatory asset, subject to board approval. Upon motion by Mr. Kilgore, seconded by Mr. Anest, the Committee unanimously agreed to recommend the proposed regulatory accounting treatment for Board approval in November.

Ms. Burkhart noted that the September financials were being provided to the Board in draft form pending the approval of the deferral of revenue. Mr. Graf indicated that approval for the deferral of revenue should come from the full Board. Ms. Burkhart will bring this action item to the Board. Additional discussion followed regarding the remainder of the report.

#### **7. Confirmation of Committee Meeting Dates for 2026**

The Committee confirmed that the proposed 2026 Audit Committee Meeting dates presented at the August Board Meeting were acceptable.

#### **8. Other Business**

No additional items were discussed.

### **9. Action Items**

Ms. Burkhart will request a three-year pricing proposal from Baker Tilly to be presented at the March Audit Committee.

### **10. Executive Session with the Chief Audit Executive**

The Committee convened an executive session with Mr. Pynes at 10:35am.