

Audit Committee

Committee Purpose

The purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the Association's financial reporting, internal control and audit functions.

The Audit Committee members are not professional accountants or auditors, and their function is not intended to duplicate or to certify the activities of the Association's management and the independent auditor, nor can the Committee certify that the independent auditor is "independent" under applicable rules. The Committee serves a board-level oversight role in which it provides advice, counsel and direction to management and the auditors on the basis of the information it receives, discussions with the auditors and the experience of the Committee's members in business, financial and accounting matters.

The Association's management team is responsible for the preparation, presentation and integrity of the company's financial statements, accounting and financial reporting principles, internal controls and procedures designed to assure compliance with accounting standards, applicable laws and regulations.

The independent auditing firm is responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted auditing standards.

Charge & Responsibilities:

1. The Audit Committee and the Board of Directors have ultimate authority and responsibility to select, evaluate and, when appropriate, replace the independent auditor.
2. On at least an annual basis, obtain from the independent auditors a formal written statement delineating all relationships between the independent auditor and the Association, consistent with standards set by the Independence Standards Board.
3. Discuss with the independent auditor relationships and services that in the view of the Committee may affect auditor objectivity or independence. If the Committee is not satisfied with the auditor's assurances of independence, the Committee takes or recommends to the full Board appropriate action to ensure the independence of the independent auditor.
4. Review the audit fee, the independent auditor's non-audit services and factors related to the independence of the auditor such as the extent to which non-audit services have been performed.

Audit Committee *(continued)*

Charge & Responsibilities *(continued)*:

5. Meet with the internal and external auditors to review their audit plans, the audit scope, and the results of their audit work with regard to the adequacy and appropriateness of the accounting, compliance, and financial controls of the Association.
6. Review annually the performance of the independent auditor in executing their plans and meeting their objectives.
7. Review with the independent auditor its judgments as to the quality, not just the acceptability, of the Association's accounting principles and such matters as are required to be discussed with the Committee under generally accepted auditing standards.
8. Review and discuss with management the audited financial statements, management's evaluations of the Association's internal controls, overall quality of the Association's financial reporting, related auditor views and the basis for audit conclusions, and if deemed appropriate, recommends to the Board of Directors that the audited financial statements be accepted for the year.
9. Review and discuss with management and independent auditor presentations to the Audit Committee with regard to various topics and events that may have significant financial impact or are the subject of discussions between management and the independent auditor.
10. Review duality of interest forms and determine whether a duality of interest exists and if so, determine whether the individual should be excluded from discussion and action, whether the individual should be allowed to participate in discussion without vote, or whether some other action should be taken.
11. Review and reassess the adequacy of its charter annually.
12. When appropriate, the Committee is authorized to designate one or more of its members to perform certain of its duties on its behalf, subject to such reporting to or ratification by the Committee as the Committee shall direct.
13. The Chair of the Audit Committee may be contacted directly by the Chief Financial Officer or the independent auditor throughout the year to review items of a sensitive nature that can impact the accuracy of financial reporting.
 - A. Review the Association's Strategic Directions and determine how the Committee can:
 - B. Contribute to the achievement of its targets through development of the Annual
14. Business Plan. Annually report on progress toward achieving these targets.
15. Promote the Association's core values of integrity, leadership, ownership, inclusion, trust, and the passion for making a difference.
16. Annually provide brief written reports to the Board of Directors on the Committee's activities and results.

Audit Committee *(continued)*

Qualifications for Membership:

Members shall not be Officers of the Association. At least one Committee member must be current members of the Board of Directors. At least three Committee members must have a financial background either by profession or through service on the Association's Finance Committee. At least one member of the Committee must be a "financial expert" as defined by Sarbanes-Oxley legislation.