

STUDENT UNION BOARD OF DIRECTORS

MEETING MINUTES
AUDIT COMMITTEE MEETING

September 11, 2018 at 4:00pm in SU Meeting Room 5

Members Present: Sonja Daniels, Rose Lee, Ariadna Manzo, Ninh Pham-Hi, Joseph Sandoval-Rios
Members Absent: None
Guests Present: Cedric Woolfork, Kim Hagens, Matt Giorgio, Lisa Wilson (via telephone conference), Mauricio Gonzales, Myles Correa, Amy Guerra-Smith

I. Call to Order

Rose Lee called the September 11, 2018 Audit Committee Meeting to order at 4:07pm in the SU Meeting Room 5.

II. Roll Call

Rose Lee asked Amy Guerra-Smith to do roll call. Amy Guerra-Smith noted that she completed a visual roll call.

III. Approval of September 11, 2018 Audit Committee Meeting Agenda

Rose Lee asked for any changes needed to the SEPTEMBER 11, 2018 AUDIT COMMITTEE MEETING AGENDA. Seeing no changes, Ms. Lee asked for Management Letter stated in item 2C titled should be stated as “Required Communication to Those Charged with Governance”.

Ms. Lee asked for a motion to approve the agenda with the requested changes.

Ninh Pham-Hi moved to approve the September 11, 2018 Audit Committee Agenda with the requested changes.

Joseph S. Rios seconded the motion.

VOTE ON THE MOTION: 5-0-0 MOTION PASSED.

IV. Approval of Audit Committee Meeting Minutes from May 2, 2018

Rose Lee asked for any changes needed to the MAY 2, 2018 AUDIT COMMITTEE MEETING MINUTES. Seeing no changes needed, Ms. Lee asked for a motion to approve the May 2, 2018 Audit Committee Meeting Minutes as presented.

Ninh Pham-Hi moved to approve the May 2, 2018 Audit Committee Meeting Minutes as presented.

Sonja Daniels seconded the motion.

VOTE ON THE MOTION: 5-0-0 MOTION PASSED.

V. Information Items:

1. Introduction of RSM Audit Partner

Ms. Lee introduced the members of the RSM team that were present, Matt Giorgio, Myles Correa and Mauricio Gonzales were present. Lisa Wilson joined the meeting via telephone conference.

2. Presentation by Audit Partner of June 30, 2018 Financial Audit Draft

a. Questions & Answers Session

b. Discussion of Findings

c. Review of Required Communication to Those Charged with Governance

Matt Giorgio gave the Audit Committee members a detailed presentation of the June 30, 2018 Financial Audit report noting the key highlights for this year’s audit.

Mr. Giorgio noted that the audit went very well. Mr. Giorgio noted that the report presented was a draft version but does not anticipate any material changes between the draft report and the final version. Mr. Giorgio noted that the report is consistent with previous reports. Matt Giorgio noted that the biggest change for this year's report was the adoption of GASB 75 which now requires the net OPEB liability to be included in the financial statements compared to previous reports where this information was a disclosure in the footnotes. Another GASB 75 requirement is the deferred outflows of resources. Mr. Giorgio explained that the funding during the year made to OPEB plan is reported as the deferred outflow of resources because of the timing in which the liability of OPEB is determined. Mr. Pham-Hi asked how long the deferral is for. Mr. Giorgio noted that the deferral is for one year. Mr. Giorgio also indicated that any deferred inflows of resources should also be noted as well.

Mr. Giorgio also explained the reduction of \$9,542,110 of student fees to \$7,774,169 in Operating Expenses on page 11 noting that the reduction in student fees was the \$3,000,000 the Student Union pledged to Tower Foundation for the athletic facilities. Mr. Giorgio noted that note 6 on pages 21-24 explain in greater details about the OPEB liability. The members of the Audit Committee asked Mr. Giorgio and Ms. Wilson various questions pertaining to the presentation on the report.

Mr. Myles Correa informed the Audit Committee members that RSM does not have any findings or internal control issues and that they did not have any disagreements with management.

Mr. Giorgio did note one audit adjustment relating to the Branding Project. Mr. Giorgio noted that there was an adjustment to \$11,000 expense from the Branding project but this is more of a timing issue.

VI. Closed Session Items:

1. *Overview of Audit Concerns (Closed Session)*

The Audit Committee unanimously agreed that there was no need to move the meeting to closed session.

VII. Action Items:

1. Approval of YE June 30, 2018 Audited Financials Draft

Rose Lee asked for a motion to approve the YE June 30, 2018 Audited Financial Draft as presented.

Ninh Pham-Hi moved to approve the YE June 30, 2018 Audited Financial Draft as presented.

Joseph S. Rios seconded the motion.

VOTE ON THE MOTION: 5-0-0 MOTION PASSED.

2. Approval of Recommendation of 2018-2019 Audit Committee Chair and Vice Chair

Ms. Lee asked for nominations for the 2018-2019 Audit Committee Chair and Vice Chair positions.

Joseph S. Rios requested that this item be tabled until the next meeting.

Rose Lee asked for a motion to approve this item be tabled until the next Audit Committee meeting.

Joseph S. Rios moved to approve to table this item until the next meeting.

Ariadna Manzo seconded the motion.

VOTE ON THE MOTION: 4-0-1 MOTION PASSED.

VIII. Meeting Adjournment

Rose Lee asked for any other business to discuss. Cedric Woolfork thanked Lisa Wilson and the RSM team for their hard work on this financial audit.

Rose Lee asked for a motion to approve the September 11, 2018 Audit Committee Meeting at 5:00pm.

Ninh Pham-Hi moved to approve to adjourn the September 11, 2018 Audit Committee Meeting at 5:01pm.

Sonja Daniels seconded the motion.

VOTE ON THE MOTION:

5-0-0

MOTION PASSED.