

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
AUDIT COMMITTEE
MINUTES
APRIL 28, 2017**

I. Call to Order

The meeting was called to order by Chair, Ron Clouse at 3:04 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Ron Clouse, Committee Chair (voting)	Sharon Eichten, University Representative (voting)	Michael Good, Partner, CohnReznick
Deborah Durodola, Student Representative (voting)	Lusine Zeitountsian, Student Representative (voting)	Camille Talbo, Senior, CohnReznick
Debra Hammond, Executive Director (non-voting)		Emery Hernandez, Student Administrative Assistant
Joseph Illuminate, Executive Secretary (non-voting)		Jonathan Navarro, Accounting Manager
Nicole Lai, Student Representative (voting)		

III. Approval of Agenda

M/S/P (N. Lai/D. Durodola) Motion to approve the agenda for April 28, 2017.

Motion passes by consensus

IV. Approval of Minutes

M/S/P (N. Lai/D. Durodola) Motion to approve the minutes from September 14, 2016.

Motion passes by consensus

V. Chair's Report

None

VI. Action Items

None

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VII. Discussion Items

A. 2016-17 Audit Engagement Letter

Michael Good, CohnReznick Partner, led the discussion of the engagement letter mentioning that the purpose of the engagement letter is to confirm the services that CohnReznick will provide to the USU for the upcoming 2016-17 audit. He pointed out the following key points from the letter:

1. CohnReznick will audit the financial statements, the related notes to the statements, the supplementary schedules, and express an opinion on its relation to the financial statements.
2. Audit Objective
 - The objective is the expression of an opinion about whether the USU's financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP) in the United States.
3. Audit Procedures
 - The procedures will include tests of documentary evidence supporting the transactions recorded in the accounts in the general ledger.
 - The performance of the audit will be to obtain reasonable assurance that financial statements are free from material misstatement from errors, fraudulent reporting, misappropriation of assets, or violation of laws
 - Due to the inherent limitations of an audit, internal control, and the fact that not all transactions can be tested, there is a risk that material misstatements may not be detected.
 - The audit will include obtaining an understanding of the internal controls of organization that is sufficient to assess the risks of material misstatement.
4. Other Services
 - CohnReznick will prepare the organization's federal and state information returns for the year ended June 30, 2017.
5. USU Management Responsibilities
 - Establish and maintaining internal controls.
 - Adjust the financial statements to correct and know misstatements.
 - Design and implementation of programs to detect fraud.
 - Preparation of the supplementary schedules
6. Audit Fees
 - \$25,000 for the financial audit
 - \$4,000 for the preparation of the federal and state information returns
 - \$1,000 for audit expenses

It was pointed out that the location in the Choice of Law section in the General Terms and Conditions requires change from "The State of New York" to the State of California". Likewise, the location for arbitration in the Dispute Resolution section

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requires change to “Los Angeles, California”. CohnReznick will make these changes to the engagement letter and forward to Joe Illuminate for signature.

B. 2016-17 Audit Planning Report

Michael Good and Camille Talbo presented the plan for the 2016-17 audit that covered some of the same points included in the engagement letter. The following topics were discussed:

1. The members of the CohnReznick engagement (audit and tax team)
 - a. The members of the audit team are Michael Good, Georgina Harris, and Camille Talbo.
 - b. The members of the tax team are Laura Wilder and Lisa Cummings
2. The summary of services provided by CohnReznick for the audit
3. The responsibilities of USU management for the audit
4. The objectives of the audit
5. The strategy for the audit
6. Timetable of audit services
 - a. June/July – audit design and preliminary testing
 - b. August – audit field work
 - c. Mid-September – present draft of the audit report
 - d. Before the End of September – issue final audit report
 - e. November – file Form 990 and related returns.
7. Accounting and Auditing Updates
 - a. FASB ASU No. 2016-14 Presentation of Financial Statements for Not-for Profit Entities effective for fiscal years beginning after December 15, 2017.
 - i. This rule reduces the reporting for change in each net asset category on the statement of financial position from three net asset classes to two (net assets with donor restrictions and net assets without donor restrictions).

The Audit Committee meeting to review the audit report draft will be scheduled for early September.

C. Committee Member Appreciation

Committee Chair, Ron Clouse, provided Nicole Lai and Deborah Durodola with an appreciation certificate thanking them for their service on the committee during the 2016-17 fiscal year. Nicole and Deborah each noted that their membership on the committee had a very positive impact on their educational and learning experience at CSUN.

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VIII. Announcements

None

IX. Adjournment

The meeting was adjourned by Chair, Ron Clouse at 3:35 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance