

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
AUDIT COMMITTEE
MINUTES
SEPTEMBER 4, 2019**

I. Call to Order

The meeting was called to order by Chair, Ron Clouse at 10:33 a.m.

II. Roll Call

Present	Absent	Staff/Guests
Khachik Baghumyan, Student Representative (voting)	Sharon Eichten, University Representative (voting)	Lusine Dayan, Accounting Supervisor
Tyrone Carter, Board Chair (non-voting)		Michael Goode, CohnReznick Partner
Ron Clouse Committee Chair (voting)		Georgina Harrison, CohnReznick Director
Debra Hammond, Executive Director (non-voting)		Jonathan Navarro Accounting Manager
Joseph Illuminate, Executive Secretary (non-voting)		
Habeba Kamil Student Representative (voting)		
Navid Mahkhatam, Student Representative (voting)		

III. Approval of Agenda

M/S/P (K. Baghumyan/N. Mahkhatam) Motion to approve the agenda for September 04, 2019.

Motion passes by General Consensus

IV. Approval of Minutes

M/S/P (K. Baghumyan/N. Mahkhatam) Motion to approve the minutes of May 03, 2019.

Motion passes by General Consensus

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V. Chair's Report

Chair, Ron Clouse welcomed the three new student members to the committee.

VI. Action Items

A. 2018-19 Financial Audit Report

M/S/P (H. Kamil/N. Mahkhatam) Motion to accept the 2018-19 Financial Audit Report prepared by CohnReznick LLP.

First, Michael Good, CohnReznick Partner, led the discussion explaining the purpose of SAS Letter 115, Communicating Internal Control Related Matters Identified in the Audit.

The purpose of the letter is to make management aware of any deficiencies, material weaknesses, or significant deficiencies. The USU did not have any deficiencies or weaknesses noted for the 2018-19 audit.

Second, Michael Good discussed the purpose of SAS Letter 114, Required Communications with Those Charged with Governance. Those Charged with Governance are the Audit Committee and the University Student Union Board of Directors.

The purpose of the letter is to ensure those charged with governance “receive sufficient information regarding the scope of the audit that they may provide them with timely observations arising from the audit that are relevant to their responsibilities in overseeing the financial process for which management is responsible”.

Management is responsible for the financial statements and the audit is designed to “obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements”.

In 2018-19, the USU adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 Not-for Profit Entities (Topic 598): Presentation of Financial Statements of Not-for-Profit Entities. “The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities”.

Michael Good also noted in the letter the following key points:

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1. CohnReznick did not find any significant risks and exposure that would have potential effects on the financial statements.
2. CohnReznick did not have any disagreements with management during the course of the audit.
3. CohnReznick did not have any difficulties in performing the audit.
4. CohnReznick did not encounter any fraud or illegal acts during the course of the audit.
5. CohnReznick is independent with respect to the Union.

Third, Michael Good discussed the audit report. The USU received an **unmodified opinion** which is the highest level of opinion an audit firm can bestow on its client, the USU. An “unmodified opinion” means the financial statements present fairly, in all material respects the financial position of the USU as of June 30, 2019.

As of June 30, 2019, the USU had total assets of \$6,414,148, a net deficit of \$225,360, and net assets of \$1,796,394.

Motion passes 3-0-0

VII. Discussion Items

None

VIII. Announcements

The committee expressed appreciation to the CohnReznick team for their assistance throughout the course of the audit. It was noted that CohnReznick promptly handled all the updates to the audit report especially as the report deadline was approaching.

IX. Adjournment

The meeting was adjourned by Chair, Ron Clouse at 11:02 a.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, Accounting & Finance