The Audit Committee was called to order by Chair Crystal Ekanayake at 10:06 a.m.

Jim Reinhart informed the committee of an internal audit by the Chancellor’s Office of the College of Arts & Letters at Sacramento State. One finding affected UEI’s agreement forms for student entertainment/performances and appropriate administrator approval and payment processes. Appropriate action has been taken to revise the forms and payment processes.

Joy McNulty reviewed the audit scope, timing and report due dates. McNulty stated that the federal and state tax returns were finalized February 2015 before the deadline. Both returns are posted on UEI’s website.

Christy Norton discussed the following audit pronouncements:

- GASB 71, Pension Transition for Contributions made Subsequent to the Measurement Date.
- Anticipated new OPEB standard, which will be similar to GASB 67 and 68.
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (UAR) – Revised cost principles are applicable to grants received on or after December 26, 2014.
- 2015 Proposed Compliance Supplement changes:
  - Type A program threshold is increased from $300K to $500K.
  - The percentage coverage of federal expenditures required for testing is decreased from 50% to 40% for regular auditees and from 25% to 20% for low-risk auditees.
- GASB 72, Fair Value Measurements and Applications. This Standard provides guidance for determining fair value measurement for financial reporting purposes. Additional disclosures will be necessary regarding the methodologies used to determine fair value and the assigned “level” within the fair value hierarchy. The effective date is for years beginning after June 15, 2015.
Reinhart stated that Dr. Robert Nelsen will begin his tenure as President of Sac State on July 1st and that Arlette Barnard will be retiring at the end of May.

Reinhart updated the Committee on the lease-purchase agreement with the city of Sacramento for the McAuliffe Ballparks located on the edge of campus for $2.275 million to be paid over ten years. The property would be repurposed for student housing. UEI would be responsible for the costs to replicate the ballfields at Depot Park in Sacramento at an estimated $5 million. The city is expected to ratify the agreement in May. Reinhart also informed the committee of the purchase of a single family home located at 3701 T Street in Sacramento near the Julia Morgan House and adjacent to another property UEI owns.

The meeting was adjourned at 10:45 a.m.

Respectfully submitted:

Arlette Barnard
Recording Secretary