

University Enterprises, Inc.
Audit Committee Meeting Minutes
Tuesday, September 12, 2017
UEI Conference Room,
11:00 a.m. to 12:00 p.m.

Members Present: David Bach
Steve Perez

Staff Present: Craig Barth, Chief Financial Officer
Emily Chu, Controller
Angie Laguna, Executive Assistant
Jim Reinhart, Executive Director

Presenting: Joy McNulty, Manager, K-Coe Isom

The Audit Committee was called to order by Chair, David Bach at 11:01 a.m. McNulty provided an overview of the audit process and deliverables including risk management, audit procedures and evaluations, evaluated findings, and expressed an unqualified opinion on the financial statements, reporting responsibilities and reports issued.

McNulty reviewed the draft Report to the Board of Directors, which comprises the standard communications and responsibilities of both UEI as well as K-Coe Isom. There were no new accounting policies this year. There will be an additional edit to the report to indicate that no misstatements were identified in the financial statements prepared by UEI.

Barth and Reinhart acknowledged the excellent work of Controller Chu and her team throughout the entire year-end close and the audit process.

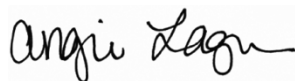
McNulty reviewed the financial statements with the Audit Committee. 2017 showed an increase in net position, total assets and deferred outflows, and total liabilities over 2016. June 30, 2017 net position was \$40.1 million, an increase of \$2.8 million compared to \$37.3 million at June 30, 2016. McNulty reported that next year GASB 75 will require total OPEB unfunded liabilities to be reported on the balance sheet.

Steve Perez proposed that the Committee move to accept University Enterprises, Inc. audited financial statements dated June 30, 2017 and 2016. (Bach)

The committee then met with the auditor without management present.

The meeting was adjourned at 11:39 a.m.

Respectfully submitted:



Angie Laguna
Recording Secretary