

**University Enterprises, Inc.**  
**Audit Committee Meeting Minutes**  
**Friday, April 13, 2018**  
**UEI Conference Room and via Teleconference**  
**1:00 p.m. to 2:00 p.m.**

Members Present: David Bach, Steve Perez, Kelly Thompson

Staff Present: Craig Barth, Emily Chu, Angie Laguna, Jim Reinhart

Presenting: Christy Norton and Joy McNulty via Teleconference

The Audit Committee was called to order by Chair, David Bach at 1:06 p.m. Christy Norton provided an overview of the audit scope, proposed timing and report due dates, status of federal and state tax filings, audit pronouncements, federal compliance, future pronouncements and other significant changes.

Joy McNulty reviewed the timing and report due dates with the Committee indicating that the first draft review will occur on August 31, 2017 with the final audit report to be issued on September 7, 2018.

GASB 75 will be effective with the 2017-18 fiscal year and will require OPEB benefits to be recorded as a liability via a journal entry. This will require a five to six -page audit disclosure including discount rate used and any changes in rates and expenses involved. GASB 85 is also effective this audit year with the objective of the Statement being to address practice issues that have been identified during the implementation and application of certain GASB Statements, including GASB 72 and GASB 68. For future pronouncements K-COE will work with Sponsored Programs Administration on rates and procedures. GASB 87 is a future pronouncement requiring an operating lease to be recorded as an asset and liability. GASB 88 pertains to disclosures related to debt and will be effective in fiscal year 2018-19.

Jim Reinhart provided an overview of significant changes or events in 2017-18. Several departments are anticipating retirements this summer and have commenced hiring new staff members. Dining Services has also experienced several retirements or resignations including the Dining Commons Associate Director. Recent county health inspections found repeat major violations and UEI has taken steps to fix the issues and avoid violations in the future. A staff counsel search was recently completed and the new position start date is July 2, 2018. The McAuliffe Ballfield student housing project went through an RFQ/RFP process and selected a developer. The planning, design and approval process is underway on the 1,100 bed and \$153 million project. If the Board of Trustees does not provide final approval, UEI would be required to reimburse EdR for costs incurred and 50% of design and planning costs.

The current fee structure with K-COE was implemented in 2013-14 as a joint RFP effort with the University Foundation, ASI and the Union Well. The current agreement extends through audit year 2018-19. Negotiations on an extension with K-COE will occur next year.

The meeting was adjourned at 1:40 p.m.

Respectfully submitted:

Angie Laguna, Recording Secretary