

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE  
MINUTES  
SEPTEMBER 10, 2015**

**I. Call to Order**

The meeting was called to order by Temporary Chair, Taylor Cubas at 2:03 p.m.

**II. Roll Call**

<b>Present</b>	<b>Absent</b>	<b>Staff/Guests</b>
T. Cubas, Student Representative (voting)	R. Clouse, Committee Chair (voting)	Michael Good, Partner, CohnReznick
S. Eichten, University Representative (voting)	E. Martirosov, Student Representative (voting)	Georgina Harris, Senior Manager, CohnReznick
Debra Hammond, Executive Director (non-voting)		Jonathan Navarro, Accounting Manager
Joseph Illuminate, Executive Secretary (non-voting)		
A. Zelyonaya, Student Representative (voting)		

*Debra Hammond arrived at 2:07 p.m.*

**III. Approval of Agenda**

M/S/P (A. Zelyonaya/S. Eichten) Motion to approve the agenda for September 10, 2015.

*Motion passes by general consensus*

**IV. Approval of Minutes**

M/S/P (S. Eichten/A. Zelyonaya) Motion to approve the minutes for May 20, 2015.

*Motion passes by general consensus*

**V. Chair's Report**

A. None

**VI. Action Items**

**B. 2014-15 Audit Report**

M/S/P (A. Zelyonaya/S. Eichten) Motion to accept the 2014-15 Financial Audit Report prepared by CohnReznick LLP.

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CohnReznick Partner, Michael Good, was pleased to report to the Audit Committee from the Independent Auditor's Report that the USU received an unmodified opinion, the highest opinion an audit firm can bestow on a client.

From the audited financial statements, he reported that total unrestricted net assets were \$4,201,629 and the change in net assets were \$52,479 as of June 30, 2015. The cash balance decreased by \$716,427 during the fiscal year.

Michael Good presented the "Required Communications with Those Charged with Governance) letter to the committee.

The purpose of the communication is to ensure that the Audit Committee and Board of Directors have sufficient information regarding the scope and results of the audit that is relevant to their responsibilities of overseeing the financial reporting process of the organization.

The main points discussed in the letter by Michael Good are as follows:

1. The objective of the audit is to express an opinion on the financial statements.
2. The responsibilities of CohnReznick and of USU management are stated in the engagement letter signed prior to commencement of the audit.
3. USU management is responsible for the financial statements and CohnReznick's audit does not relieve management of this responsibility.
4. 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.
5. The audit was conducted in accordance with auditing standards accepted in the United States.
6. The USU financial statements are prepared on an accrual basis.
7. No new accounting policies were adopted during the 2014-15 year.
8. CohnReznick found that the accounting policies applied by management in the reporting and disclosure of transactions are reasonable and appropriate.
9. CohnReznick did not have any disagreements with management and there were no difficulties in performing the audit.
10. No fraud was detected during the audit.
11. CohnReznick is independent with respect to the USU.
12. There were two audit adjustments:
  - a. A restatement of \$158,544 as of June 30, 2014 to increase accrued payroll and decrease net assets.
  - b. Accrued payroll in the amount of \$201,657 as of June 30, 2015.

Michael Good noted that the audit adjustments met the definition of a material weakness which is defined as "a deficiency or combination of deficiencies, in internal control, such

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that there is a reasonable possibility that a material misstatement of the Union's financial statements will not be prevented, or detected, and corrected on a timely basis."

He pointed out that this is a onetime deficiency and that it did not have any impact on the USU's unmodified opinion. He stated that 50% of CohnReznick's clients have a material deficiency each year. Since the deficiency was rectified during the audit, it will not be repeated in the future.

*Motion passes 2-0-0*

**VII. Discussion Items**

A. None

**VIII. Announcements**

**IX. Adjournment**

The meeting was adjourned by Temporary Chair, Taylor Cubas, at 2:51 p.m.

Respectfully submitted by,

Joseph Illuminate  
Associate Director, Finance & Business Services