

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE MINUTES  
SEPTEMBER 10, 2021, at 3:00 P.M.**

**Zoom Meeting:**

[HTTPS://CSUN.ZOOM.US/J/81338527937?PWD=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09](https://csun.zoom.us/j/81338527937?pwd=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09)

**I. Call to Order**

The meeting was called to order by Chair, Sharon Eichten at 03:01 P.M.

**II. Roll Call**

<b>Present</b>	<b>Absent</b>	<b>Staff/Guests</b>
Sharon Eichten, Committee Chair (voting)		Lusine Dayan, Accounting Supervisor
Debra Hammond, Executive Director (non-voting)		Michael Good, Audit Partner, CohnReznick
Joseph Illuminate, Executive Secretary (non-voting)		Reshini Ekanayake, Student Administrative Support Assistant, Accounting & Finance
Lana Khanou Student Representative (voting)		Jonathan Navarro Accounting Manager
Elad Mashiah, Student Representative (voting)		Jackie Richman, Manager, CohnReznick
Isaac Shafa, Student Representative (voting)		
Dr. Edith Winterhalter, University Representative (voting)		

*Michael Good and Jackie Richman left at 3:44 P.M.*

**III. Approval of Agenda**

M/S/P (E. Mashiah /Dr. Winterhalter) Motion to approve the agenda for September 10, 2021.

***Motion passes by General Consensus***

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE MINUTES  
SEPTEMBER 10, 2021, at 3:00 P.M.**

**Zoom Meeting:**

[HTTPS://CSUN.ZOOM.US/J/81338527937?PWD=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09](https://csun.zoom.us/j/81338527937?pwd=vzRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09)

**IV. Approval of Minutes**

M/S/P (E. Mashiah/Dr. Winterhalter) Motion to approve the minutes of May 05, 2021.

*Motion passes by General Consensus*

**V. Chair's Report**

Chair, Sharon Eichten welcomed Michael Good and Jackie Richman to the Audit Committee Meeting to discuss the 2020-21 Financial Audit Report.

**VI. Action Items**

**A. 2020-21 Financial Audit Report**

M/S/P (E. Mashiah/Dr. Winterhalter) Motion to accept the 2020-21 Financial Audit Report prepared by CohnReznick LLP.

Michael Good, CohnReznick Partner, led the committee in the discussion of the SAS 114 Letter and the Draft Audit Report.

SAS 114 Letter 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.”*

SAS 114: Responsibility for an Audit

- The objective of the audit is the expression of an opinion on the financial statements.
- USU management is responsible for combined financial statements and maintaining internal controls.

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE MINUTES  
SEPTEMBER 10, 2021, at 3:00 P.M.**

**Zoom Meeting:**

[HTTPS://CSUN.ZOOM.US/J/81338527937?PWD=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09](https://csun.zoom.us/j/81338527937?pwd=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09)

- The audit is designed to obtain reasonable, but not absolute assurance of detecting errors.
- The audit was conducted in accordance with audited standards generally accepted in the United States.

SAS 114: Significant Accounting Policies and Unusual Transactions

- In June 2021, the Financial Accounting Standards issued Accounting Standards Update No 2014-09 – *Revenue from Contracts with Customers*. ASU 2014-09 provides new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers which reflects the consideration to which the Union expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues.
- The Accounting Policies as applied by management in the recording, reporting, and the disclosure of transactions to be reasonable and appropriate.

SAS 114: Management Judgements and Accounting Estimates

- The USU adopted a new functional expense methodology to allocate general and administrative expenses to programs.
- There were no audit adjustments proposed by the auditors.
- There were no unrecorded audit adjustments proposed by the auditors.

SAS 114: Other Required Communications

- CohnReznick did not have any disagreements with USU management.
- CohnReznick did not have any difficulties in performing the audit.

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE MINUTES  
SEPTEMBER 10, 2021, at 3:00 P.M.**

**Zoom Meeting:**

[HTTPS://CSUN.ZOOM.US/J/81338527937?PWD=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09](https://csun.zoom.us/j/81338527937?pwd=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09)

Audit Report: 2020-21: Auditor Opinion

- M. Good reported that the USU received an **unmodified opinion** which is the highest level of opinion an audit firm can bestow on its client. The definition of an “unmodified opinion” is “*the financial statements present fairly, in all material respects the financial position of the USU as of June 30, 2021.*”
- CohnReznick did not report any negative findings.
- CohnReznick did not propose any audit adjustments.

Audit Report: Statement of Financial Position

- Total Assets of \$9,959,515 which included \$8,500,528 in Short-Term Investments.
- Total Liabilities of \$4,692,748 which included a \$3,149,728 Postretirement Benefit Payable.
- Total Net Assets were \$5,266,767.

Audit Report: Statement of Activities

- Operating Revenues declined in 20-21 when compare with 19-20 due to COVID-related reasons.
  - Although Student Fees declined when compared to 19-20, the USU received all the 100% of the student fees that were budgeted.
  - The revenue categories that showed the greatest decline were Program Revenue, Recreation Center Income, and Food Commissions.
- Operating Expenses declined at a greater rate than revenue which is why the USU had a surplus of \$2,612,067.

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE MINUTES  
SEPTEMBER 10, 2021, at 3:00 P.M.**

**Zoom Meeting:**

[HTTPS://CSUN.ZOOM.US/J/81338527937?PWD=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09](https://csun.zoom.us/j/81338527937?pwd=VZRQR2XRAGJOL28RCM1QVTJ4AVF1ZZ09)

- The surplus will assist the USU to increase the down payment for the Heart of Campus project from \$24 million to \$30 million.

Audit Report: Statement of Cash Flows

- Cash decreased in the USU's General Operating bank account by \$2,558,908 during the fiscal year because the excess cash on hand was transferred to Short-Term Investments, the State-Wide Investment Trust Fund (SWIFT) in order to earn interest.

Audit Report: Notes to the Financial Statements

- The Functional Allocation of Expenses footnote was expanded to provide more detail on how the USU allocates Supporting Services to Programs.

***Motion passes 4-0-0***

**VII. Discussion Items**

A. None

**VIII. Announcements**

Chair, Sharon Eichten requested that Student Committee Members describe the impact their experience has provided them and what are their post-graduation career plans.

**IX. Adjournment**

The meeting was adjourned by Chair, Sharon Eichten at 3:50 P.M.

Respectfully submitted by,



Joseph Illuminate,  
Associate Director, Accounting & Finance