

UAS AUDIT EXIT MEETING

Meeting Minutes

Sep 16, 2024 09:04 AM Pacific Time – 9:40 AM Pacific Time

- Dave Press called the meeting to order at 9:04am
- Nicole Stan with CohnReznick reviewed the Management Discussion and Analysis (MD&A) as well as adjustments and possible improvements. Nicole compared the MD&A with the required guidance by GASB and management, addressed all the required area, compared it with other Cal States and there is nothing else that would be required to be disclosed. In addition, the discussion is based on factual information, concise and easy to read and understand and it addresses all of the requirements of GASB 34.
- Financials were reviewed by Nicole Stan (Partner)
 - Opinion was “Clean” and no adjustments or findings for the Year ending June 30, 2024
 - Although CohnReznick does aid with the preparation, it is UAS’ responsibility to make sure that it is accurate, and to design, implement, and maintain internal control related to those to the preparation of financial statements.
 - CohnReznick performs the Audit on a statistical sample basis, don’t test 100%, but evaluate controls, statements and entries. If they are aware of any material weaknesses or fraud and there were none.
 - There were no internal control findings and no material weaknesses or material deficiencies
- The MD&A was reviewed by Nicole Stan
 - Total Current Assets decrease of 1.4 million from related party receivable, offset by an increase in cash from operations.
 - Non-Current Assets decreased mostly due to write off of Pizza 3.14 assets.
 - Liabilities have decreased \$800k overall. Mostly due to this pledge liability that was paid and it's no longer in the current year's balance sheet.
 - Total Liabilities show a slight decrease overall.
 - Revenue decreased significantly mostly due to not receiving HEERF Funds this year.
 - Expenses are very consistent.
 - Non-operating revenues and expenses, revenues, and expenses has a large increase mostly due to a decrease in in contributions related to debt service made for Islands Kitchen expansion.
 - Cash Flows did much better this year.
 - Non-capital financing activities is consistent with last year.
 - Changes in the current year, nothing material.
 - Cash/cash equivalents on hand is \$4.3 million.
- Internal controls reviewed by Nicole Stan
 - No material weaknesses or compliance issues identified.

- Communication with Board reviewed by Nicole Stan
 - No changes to procedure or timing. Minna has records well managed.
 - No significant risks identified and no errors identified.
 - Financial Statements were found to be neutral consistent and clear
 - No unusual transactions or significant difficulties encountered.
- There was an investigation of suspected fraud, but the final report on that fraud has not been issued as of the date of the Audit Exit Conference.
- Management Representation Letter is being sent via DocuSign.
- Nicole Stan Opened for questions
 - Bradley Olin asked about Liability for Bookstore given bookstore performance.
 - Nicole Stan replied that when they're a multiyear, they're recorded as an asset and a liability due to the change in guidance.
 - Minna Chang added the lease is still in force so we're still making these payments until the end of the lease term in 2027.
 - Stephanie Bracamontes said that the Operations Audit from the Chancellors Office was provided to CohnReznick.
 - John Lazarus added that it will be provided to the Board.
 - Dave Press asked if there were any lawsuits or potential lawsuits
 - John Lazarus and Nicole Stan both replied no
 - Dave Press asked if there are any violations such as liquor license, or employment issues.
 - Nicole Stan replied none.
 - Dave Press asked about the Wells Fargo Positive Pay system that we instituted about a year or 2 ago is working well
 - Nicole Stan replied Yes
 - Dave Press asked disaster preparedness plan
 - Nicole Stan replied that IT is under CI
 - John Lazarus replied that UAS operates under the robust campus plan to make sure operations can continue
 - Dave Press noted that this is the 4th year of CohnReznick auditing.
 - It is a 5-year agreement
 - Nicole Stan offered that it may be worth changing Partner for a fresh set of eyes. Audit Committee/UAS Board will discuss at November Meeting.
 - Dave Press asked if there was a desire for Executive Session.
 - None requested.
 - Dave Press asked if anyone wanted to take advantage of value-added services.
 - Nicole detailed that IT security and phone attacks are increasing.
 - They could test and train staff
 - The control environment is strong, so not suggested.
 - Dave Press asked about 990.
 - Final draft is expected March or April
 - Bill Robe talked about a sophisticated attack on a tenant that caused a loss of \$400k and asked that the Board talk about taking advantage of training.

- John made the motion to ask the Board to accept the Audited Financials and Communication with the University Auxiliary Services Board
 - Bill made the motion and David voted to second.
 - Audit Reports (including Financials) was unanimous and accepted.
- Meeting adjourned at 9:45pm