

**Union WELL Inc.
Audit Committee
Friday, September 7, 2018**


MINUTES

- I. The meeting was called to order at 3:59pm by Kyle Shallcross, Chairperson**
- II. Welcome and Introductions**
- III. Audit Presentation: CPA K Coe Isom, Christy Norton, Principal**
 - a. Norton presents the 2017-2018 Financial Statements and Audit Report.
 - i. Norton explains the audit and financial statement process, which includes risk assessment and addresses changes in the economy or in the industry. She notes that the K Coe team generates the Audit Report and Union WELL Inc. management team prepares everything else, crediting the management team for their work throughout the year.
 - ii. Norton presents the financial statement draft, beginning with the audit report. She states that the Union WELL Inc. received an unmodified opinion, adding that all pages are fairly stated.
 - iii. Norton discusses the statement of activities (or income statement). The operating income comparison, 2018 decreased \$191,000 from 2017. She discusses revenue factors such as decreased student activity fees, program service fees decreased, interest and investment income increased.
 - iv. Norton discusses expenses and reviews impacts. She notes that salaries and benefits is not listed under expenses but it is listed under outside services. She further notes that outside services increased mostly due to the minimum wage increase. Repair and maintenance increased, but supplies decreased. Farrell briefly discusses the impacts on loss on disposal of assets. She also states that the corporation had planned for a large surplus in order to build its own reserves as part of long-range planning.
 - v. Norton encourages everyone to read footnotes for further information on the report, accounts, and related parties. Farrell explains that related parties informs about transactions with other auxiliaries on campus.
 - vi. Shallcross asks what LAIF is. Norton explains that LAIF is the primary, approved, investments tool for auxiliaries. Campuses all invest in one pool which yields higher balances and the interest is higher. The interest is then spread out among all the investors. Hayano adds that it is liquid, therefore companies are able to withdraw as needed.
 - vii. Shallcross asks if the minimum wage increase was anticipated. Farrell explains that the increase has been occurring over the past 3 years, but the upcoming year is the first \$1.00 increase in January. She adds that it will continue to increase \$1.00 each year until 2022. This is planned for in the long-range plan.

- IV. Recommendation of the 2017-2018 Audit: Action Requested
(MSP: Hayano, Lee)
- V. Recommendation of 2018-2019 Auditors: Action Requested
(MSP: Mikbel, Hayano)
- VI. The meeting was adjourned at 4:28pm

Respectfully Submitted:


Authorized Signature


Date