



**Union WELL Inc.**  
**Audit Committee**  
Wednesday, September 11, 2019

**MINUTES**

- I. The meeting was called to order at 11:01am by Gabi Bermudez, Chairperson
- II. Welcome and Introductions
- III. Audit Presentation: CPA K Coe Isom, Christy Norton, Partner
  - a. Norton presents the 2018-2019 Financial Statements and Audit Report.
    - i. Norton begins by reviewing the audit process, which includes risk assessment and review of internal control processes.
    - 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 then discusses financial highlights, starting with the statement of activities and income statement, noting that operating income decreased approximately \$240,000. She explains that there was a decrease in student activity fees of \$445,000 due to a decrease in return of surplus, which is based on long-term projections related to enrollment, budget, capital outlay, growth, etc. She states that interest and investment income increased \$220,000 due to increasing interest rates.
    - iv. Norton discusses that expenses increased by approximately \$655,000. This includes an increase in outside services of \$375,000 which is due to the increase in minimum wage, hiring of additional personnel and UEI payroll costs. Repair & maintenance expenses increased \$105,000, which was caused by custodial services stemming from the 40,000 square foot Union expansion and construction clean-up costs. Farrell adds that the bulk of the increase came from Department 68, which is the expansion account, and includes all one-time charges related to expansion, which also had some cost rollover from the year prior and should decrease this year. Norton mentioned that there was a loss on disposal of approximately \$30,000. The overall net increase in assets was \$1,160,000.

- v. Norton discusses the corporation's financial position, which includes cash and cash equivalents of about \$16.2 million. Included in that total is \$15,975,000 held by LAIF. She also mentioned there is \$17 million in net assets.
  - 1. Bermudez asks what a LAIF account is. Norton explains that LAIF stands for Local Agency Investment Fund, and it is the primary, approved, investments tool for auxiliaries. Hayano adds that it is liquid, therefore companies are able to withdraw as needed.
  - 2. Bermudez asks if there were any dramatic changes in numbers, other than in repair and maintenance. Norton says that, other than the increases in salaries and repairs that were discussed, everything else was in line.
- vi. Norton encourages committee members to read the notes in the documents that were distributed by email.

IV. Recommendation of 2018-2019 Audit: Action Requested  
(MSP: Hayano, Mikbel)

V. The meeting was adjourned at 11:26am

Respectfully Submitted:



Authorized Signature



Date