



**Union WELL Inc.
Audit Committee**

MINUTES

Tuesday September 8, 2020, 7:30am
Zoom Meeting

- I. The meeting was called to order at 7:37am by Jasmine Lopez, Chairperson
- II. Welcome and Introductions
- III. Audit Presentation: CPA K Coe Isom, Christy Norton, Partner
 - a. Norton begins by providing a brief overview of the audit process which involves risk assessment, reviewing processes and internal controls, and control testing. She adds that the Union WELL Inc. team does great job of ensuring checks and balances are in place, especially with staff working remotely now. She announces that the financial statements are presented fairly, in all material aspects, in accordance with generally accepted accounting principles.
 - b. Norton reviews the statements of activities and discusses the financial highlights. She states that total revenue increased \$1.8 million in 2019-2020, mostly due to an increase in student activity fees, which was determined and approved through the 2019-2020 budget process. There was a decrease in contract and lease payments as well as program service fees, which were caused by the COVID-19 closure in the spring. Norton then presents a detailed breakdown of expenses and discusses highlights including increases in outside services caused by the minimum wage increase, new staff positions, an OPEB (other post-employment benefits) contribution increase, and an increase in small equipment. There was a decrease in expenses for special events since all spring events were cancelled. The result is a change in net assets of \$2.6 million for 2019-2020.
 - c. Norton reviews the statement of financial position, noting that the total net assets at yearend is \$19.7 million. This balance is mainly made up of cash and cash equivalents, and capital assets.
 - d. Norton presents the Report to the Board of Directors with required communications regarding responsibilities. She notes that the revenue recognition standard in significant accounting policies is new. She also notes that in the board report there is an investment explanation regarding the LAIF (Local Agency Investment Fund) portfolio. There was an unrealized gain balance of \$91,493 as of June 30, 2020. She noted that management did not believe the unrealized gains would be realized in the near future and thus determined that this gain was immaterial and would not be recorded.
- IV. Recommendation of the 2019-2020 Audit:
MSP: McAuliffe, Mikbel. Roll call vote: Unanimously in Favor

V. The meeting was adjourned at 8:02am

Respectfully Submitted:

Ethan Shaw

[Ethan Shaw \(Sep 17, 2020 14:35 PDT\)](#)

Authorized Signature

Sep 17, 2020

Date