



Union WELL, Inc. Audit Committee
Wednesday September 4, 2024, 7:30am
Zoom Meeting ID: 836 3809 2202

Minutes

1. The meeting was called to order at 7:33am by Zuhaib Saleem, Chairperson
Present: Zuhaib Saleem, Victor Serrano, Amanda Davenport, Wasim Hamdani, Emma Newton
Also Present: Jill Farrell, Bill Olsmsted, Tori Butler, and Amy Jacobsen
Guests: Brenda Scherer, Megan Willems, and Liz Cook from CliftonLarsenAllen LLP (CLA), and Michael Eldridge and Hoan Nguyen from ASI
2. Welcome and Introductions
 - a. Everyone introduces themselves
3. Conflict of Interest Forms: Information
 - a. Olmsted explains the purpose of the conflict of interest form and acknowledges that all forms were signed
4. Audit Presentation: CLA (CliftonLarsonAllen LLP)
Brenda Scherer, CPA, Signing Director, Higher Education
Liz Cook, CPA, Manager, Higher Education
Megan Willems, Senior, Higher Education
 - a. Scherer begins the presentation by noting that CLA's engagement scope is to report on the organization's financial statements as of June 30, 2024, and to express an opinion on whether these statements are fairly presented.
 - b. Willems explains that CLA takes a risk-based approach that includes evaluating internal controls, estimates, cash and cash equivalents, revenue recognition, related party transactions, and property and equipment. The overall result is an unmodified opinion on the financial statements, indicating a clean audit and the highest level of assurance. The governance communications letter, which is standard issue, provides an overview of the process since the planning meeting, with no noted changes. Although there was one update in audit standards (ASU 2016-13) concerning current expected credit losses that was implemented this year, there was no impact on the financial statements. There were no difficulties or disagreements, and no findings, weaknesses, or recommendations were issued. Estimates are typical, and there were no concerns or material audit adjustments booked in 2024.
 - c. Cook discusses the highlights of the financial statements. She presents a graph illustrating the change in net assets over the past five years, which fluctuates annually based on student activity fee revenue, and shows a \$1.7 million loss for 2024. The student activity fee constitutes the majority of revenue and declined from \$13 million to \$10.5 million in 2024. Cook notes that the revenue composition demonstrates good diversification, including investment income,

contributions and grants, program service fees, and contracts and lease payments, in addition to the student activity fee. She also shares a graph detailing the makeup of expenses, which increased by approximately \$2 million. The graph shows that Union WELL, Inc. (UWI) has maintained a consistent percentage of spending across categories each year, including building operations, programs and services, and administration. However, the organization incurred additional expenses this year for outside services with UEI and a one-time cost for a new POS implementation.

- d. Regarding the decrease in student fee revenue, Farrell explains that this was intentional during the budget drafting process. The decision was made to allocate funds for larger projects, such as the WELL's Gym Box and the North Field project. Consequently, UWI accepted a lower return on surplus. She adds that \$12.25 was taken in 22-23, \$9.6 million in 23-24, and \$14.5 million 24-25.

5. Recommendation of the 2023–2024 Audit: **MSP: Serrano, Hamdani**

6. The meeting was adjourned at 7:47am

Respectfully Submitted:



Authorized Signature

9/11/24
Date