

Aztec Shops Audit Committee Report and Minutes
May 9, 2018 Committee Meeting

Members Present: Tyler Morgan (Board member and Chair), Seth Mallios (Board Member), Valerie Peterson, and John Penrose

Members Absent: None

Others Present: Michael Welch (University representative/guest), Beth Warrem and Kim Reilly (University guests), Todd Summer, Lisa Albers, and Donna Martens (management representatives), and Rick Wentzel and Gina Marie Hernandez (Grant Thornton audit firm representatives)

Tyler Morgan called the meeting to order at 12:18 p.m. John Penrose moved to approve the agenda as presented and Seth Mallios seconded the motion. Motion approved 4-0-0.

- I. Donna Martens, Sr. Accounting Manager, walked the committee through the IRS 990 and unrelated business income tax 990T returns and highlighted changes from the prior year. Grant Thornton prepared the returns using the work papers provided by Donna Martens and the draft returns were then reviewed in detail by Aztec Shops management and the University. Lisa reported that the final draft returns were emailed to the Audit Committee members for review and comment prior to this meeting. After detailed discussion and all questions were answered, Seth Mallios motioned and Valerie Peterson seconded to accept the filing of the annual returns, including IRS Form 990 Return of Organization Exempt from Income Tax. All were in favor of the motion 4-0-0. A copy of the complete filing will be shared with the full board prior to filing.

- II. Rick Wentzel and Gina Marie Hernandez introduced themselves to the Audit Committee and Rick Wentzel walked the committee through Grant Thornton's, the Audit Committee's, and Management's responsibilities with regards to conducting the 2017-2018 financial audit (see attached presentation). The audit will be conducted in accordance with auditing standards generally accepted in the United States (GAAS). Rick described the audit methodology and that materiality will be based on total revenues. He explained the areas identified as significant risks and that this is where they will focus on in their upcoming audit. Rick highlighted the recent technical updates.

Tyler Morgan asked if any items required to move into closed session and none were noted. John Penrose moved to adjourn the meeting at 1:00 p.m. Valerie Peterson seconded the motion. Motion was approved. 4-0-0