

**Aztec Shops Audit Committee Report and Minutes
September 14, 2018 Committee Meeting**

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

Members Absent: None

Others Present: Michael Welch and Beth Warrem (University representatives), Todd Summer, Lisa Albers, and Donna Martens (management representatives), and Rick Wentzel and Jing Jin (Grant Thornton audit firm representatives)

- I. Tyler Morgan called the meeting to order at 12:12 p.m. Lisa Albers walked the committee through the draft Audited Financial Statements for June 30, 2018 and 2017. Lisa Albers highlighted various items and changes from prior year on the Statement of Financial Position, Statement of Activities, and Statements of Cash Flows and answered all committee member questions. Rick Wentzel noted that there were no new note disclosures in the current year.

Rick Wentzel, Grant Thornton, provided the committee with a 2018 Presentation to the Audit Committee of Aztec Shops, Ltd. prior to the meeting (copy attached to minutes) and stated that it is projected up on the screen. He noted that this was their fourth year on the engagement and that the timeline shared with the committee in May was not altered. Grant Thornton issued an unqualified opinion and did not find any material weaknesses or significant deficiencies which is the best outcome possible. He then walked the committee through the audit committee report and highlighted the responsibilities, timeline, materiality, use of work of others, key areas they spent their time on due to significant risks, summary of adjustments which there were none, disclosure checklists, internal controls, and required communication. Rick Wentzel asked the committee members if they are aware of any fraud and all responded no. He continued to share that the audit was performed under auditing standards generally accepted in the United States of America (U.S. GAAS) and Generally Accepted Government Auditing Standards (GAGAS) and, therefore, we have two unqualified opinions in the audit report. Lastly, Rick Wentzel highlighted the upcoming accounting standards updates involving contracts with customers, leases and not-for-profit financial reporting.

- II. A motion was made by Seth Mallios and seconded by Valerie Peterson to accept the audit report as presented. The motion was unanimously approved by the committee.
- III. A motion was made by Seth Mallios and seconded by John Penrose to move the meeting into closed session with CEO, Todd Summer. The motion was unanimously approved by the committee and Lisa Albers, Donna Martens, Beth Warrem, and Michael Welch left the room at this time.
- IV. After CEO report, the committee moved into closed session without the CEO and other staff.