

**Aztec Shops Audit Committee Report and Minutes  
September 16, 2019 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, Heather Hawkins, and Donna Martens (management representatives), and Rick Wentzel and Gina Marie Hernandez (Grant Thornton audit firm representatives)

- I. Tyler Morgan called the meeting to order at 12:15 p.m. Heather Hawkins walked the committee through the Audited Financial Statements for June 30, 2019 and June 30, 2018. Heather Hawkins highlighted various items and changes from the 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 two new note disclosures in the current year including Available Resources and Liquidity and Expense Allocation.  
  
Gina Marie Hernandez, Grant Thornton, provided the committee with a 2019 Presentation to the Audit Committee of Aztec Shops, Ltd. prior to the meeting (copy attached to minutes) for review. Grant Thornton issued an unqualified opinion and did not find any material weaknesses or significant deficiencies. She 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. She reviewed the summary of misstatements and Heather Hawkins provided explanations for the items discovered as well as how the team will adjust expense cut-off procedures for the fiscal year 2020 audit. Lastly, Gina Marie Hernandez highlighted the upcoming accounting standards updates involving contracts with customers and leases.
- II. A motion was made by Seth Mallios and seconded by John Penrose to accept the audit report as presented. Motion was approved 4-0-0.

- III. A motion was made by Seth Mallios and seconded by Valerie Peterson to move the meeting into closed session with CEO, Todd Summer. Motion was approved 4-0-0. Heather Hawkins, Donna Martens, Beth Warrem, and Michael Welch left the room.
- IV. After the CEO report, the committee moved into closed session without the CEO and other staff.