

Aztec Shops Audit Committee Report and Minutes
May 8, 2020 Committee Meeting

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

Others Present: Todd Summer, Donna Martens and Heather Hawkins (management representatives), and Rick Wentzel, Marla Hummel and Gina Marie Hernandez (Grant Thornton audit firm representative), Rich Rechif (990 preparer), Beth Warrem

- I. Tyler Morgan called the meeting to order at 12:02 p.m.
- II. John Penrose moved to approve the September 16, 2019 Audit Committee Meeting Minutes as presented, Valerie Peterson seconded the motion. The committee approved the motion 4-0.
- III. Rich Rechif walked the committee through the IRS 990 and unrelated business income tax 990T returns and highlighted changes from the prior year. Rich prepared the returns using the work papers provided by Donna Martens and the draft returns were reviewed in detail by Aztec Shops management and the University. After discussion and all questions answered, Tyler Morgan requested acceptance of the 990. Seth Mallios moved to approve the 990, request the filing of the annual tax returns, including IRS Form 990 Return of Organization Exempt from Income Tax. John Penrose seconded to motion. All were in favor of the motion 4-0. A copy of the complete filing will be shared with the full board prior to filing.
- IV. Marla Hummel was introduced to the Audit Committee; she will be replacing Rick Wentzel when he retires in July. Rick Wentzel, Marla Hummel and Gina Marie Hernandez walked the committee through Grant Thornton's, the Audit Committee's and Management's responsibilities with regards to conducting the 2019-20 financial audit. The audit will be conducted in accordance with auditing standards generally accepted in the United States (GAAS). Gina described the audit methodology and that materiality will be based on total revenues. She outlined the areas identified as significant risks and that the upcoming audit will be focused on these areas. Marla highlighted the recent technical updates and additional areas of focus including Accounts Receivable collectability due to COVID-19.
- V. The meeting moved into closed session.