

From: Sayre, Patrice [BOARD]
Sent: Friday, April 30, 2010 11:45 AM
To: 'Bonnie Campbell'; 'Craig Lang'; 'Craig Lang'; 'David Miles'; 'Greta Johnson'; 'Jack Evans'; 'Michael Gartner'; 'Robert Downer'; 'Rose Vasquez'; 'Ruth Harkin'
Subject: FW: Audit Question

Ken Fisher, Associate Vice President, Medical Affairs at UIHC has provided the following response to a question Regent Downer asked concerning the UIHC Audit report for FY 2009 presented by external auditors, KPMG, LLP at the April 29, 2010 meeting.

Patrice Sayre

From: Fisher, Kenneth L [mailto:kenneth-fisher@uiowa.edu]
Sent: Friday, April 30, 2010 10:44 AM
To: bdonley@iastate.edu
Cc: Robillard, Jean E; True, Douglas K; Johnson, Terry L
Subject: Audit Question

During the Audit Committee Regent Downer raised a question about the increase in UIP receivables carried on the balance sheet of UIHC.

The prior years, UIP has been reporting operations on a cash basis; June 30, 2009 we converted UIP to a full accrual basis of accounting. To make this conversion we recorded a onetime entry to increase receivables and increase the offsetting due to UIP on our balance sheet. Both entries were for about \$6 million.

As you may know, UIP and UIHC share a common receivables system. UIHC is a separate audit report which does not include UIP and we handle the transactions between the two units through intercompany accounts on the balance sheet.

I will be happy to answer any additional questions

Ken Fisher

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