

SITE AUTHORITY STANDING AUDIT COMMITTEE MEETING MINUTES

Thursday, May 14, 2026, 11:00 A.M. Via a Zoom Conference Call

Site Authority Audit Subcommittee Members: Supervisor Laura Hernandez, Councilmember Martita Martinez-Bravo

Site Authority Audit Subcommittee Members Not Present: Supervisor Kelly Long

Staff Invited: Stephanie Bracamontes, Michelle Hasendonckx, Troy Brown, Leo Cervantes

Independent Auditors Invited: Nicole Stan and Aaron Filene with CohnReznick

Chairperson Laura Hernandez called to order at 11:00 A.M.

Nicole Stan introduced herself as the audit partner with CohnReznick. She introduced Aaron Filene, Senior Manager, and reviewed the 2026 Audit Plan for the California State University Channel Islands Site Authority and Financing Authority.

1. Key members of the engagement team include Nicole Stan, Partner; Aaron Filene, Senior Manager; and Stephen Pack, Associate.
2. Summary of 2026 services: CohnReznick will audit the financial statements as of June 30, 2026, for both the Site Authority and Financing Authority. CohnReznick will provide required auditor communications and report any significant deficiencies or material weaknesses identified during the audit.
3. The planned audit approach was reviewed, including the evaluation of internal controls, information technology controls, accounting policies and procedures, and key financial cycles. Nicole Stan reported that management override of controls and improper revenue recognition were identified as standard audit risk areas. Key audit areas for the upcoming audit include revenue and related receivables, investments, capital assets, deferred inflows and outflows of resources, obligations under the Public-Private Partnership (PPP), loans, and net position.
4. Nicole Stan reviewed the key audit procedures planned for the audit, including evaluating information technology controls, testing revenue and expense transactions, reviewing the completeness of recorded liabilities, confirming cash and investment balances with third parties, testing investment income and expenses, and performing analytical reviews of financial activity. Ms. Stan explained that analytical reviews help identify unusual trends or variances that may require additional audit attention. A question was asked about the auditors' testing procedures and use of third-party confirmations. She explained that the auditors independently confirm cash and investment balances and review supporting documentation for selected transactions to verify that financial activity is accurately and properly recorded.
5. The audit timetable was reviewed, with planning and interim testing scheduled during the spring and summer, followed by year-end fieldwork in August and September. The audit results are expected to be presented to the Committee in September before the required reporting deadline.
6. Management and auditor responsibilities were reviewed. Management is responsible for the accuracy of the financial statements, maintaining effective internal controls, complying with applicable laws and regulations, and providing complete and accurate information to the

auditors. The auditors are responsible for conducting the audit, communicating significant matters to the Committee, and independently determining the audit opinion.

7. Two new GASB standards were reviewed for the current audit year. GASB Statement No. 103 updates the Management's Discussion and Analysis (MD&A) requirements to provide more consistent and informative financial reporting. GASB Statement No. 101 requires additional disclosures related to certain capital assets, including land. Ms. Stan stated that the changes are primarily disclosure-related and are not expected to significantly affect the presentation of the financial statements.

A question was asked about how the auditors identify and address potential fraud risks. Nicole Stan explained that the auditors primarily communicate with management and the Audit Committee. Ms. Stan noted that concerns may also be discussed in executive session. She added that the Committee could consider holding a brief executive session with the auditors at the conclusion of future audit meetings to allow for confidential discussion, if needed. Committee members expressed support for considering this practice at future audit meetings.

Nicole Stan noted that the proposed audit fee includes a 5% increase from the prior year. No questions were raised regarding the engagement letter or proposed fee.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:30 A.M.

APPROVED

California State University Channel Islands Site Authority Board and California State University Channel Islands Financing Authority Board

<u><i>Christina Sotelo</i></u>	<u>09/16/2026</u>
Christina Sotelo (Sep 16, 2026 10:43:09 PDT)	

Christina Sotelo, Secretary

Date