



**SITE AUTHORITY STANDING AUDIT COMMITTEE MEETING MINUTES
Tuesday, September 17, 2024, 11:00 AM Via a Zoom Conference Call**

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

Staff Invited: Bradley Olin, Stephanie Bracamontes, John Lazarus, Minna Chang

Independent Auditors Invited: Nicole Stan with CohnReznick

Chairperson Laura Hernandez called to order at 11:11 AM

Nicole Stan with CohnReznick shared the Independent Auditor's Report for the Site Authority. The Site Authority was issued a clean opinion. It is the highest level of assurance given with no issues that would cause CohnReznick to change their opinion.

1. Nicole Stan presented the Site Authority Financial Statements for fiscal year 2023-2024. The total current assets increased by \$1.3 million, due to the \$1.1 million sublease rent receivable and the \$204,000 reimbursement due from the California Department of Water Resources. The 2024 total assets increased by \$200,000, due to a \$1 million decrease in the restricted cash and investments. Capital assets net decreased by \$2.4 million due to the depreciation recorded during the year.
2. Total current liabilities decreased by \$1.3 million this year compared to last year due to the timing of payments coupled with the CI Power penalty, which is no longer here because it was paid. Total liabilities decreased by \$4.4 million due to the paydown of the infrastructure PPP liability and the Broome library debt.
3. Total operating revenue increased due to the decrease in CI Power energy sales netted against the rent increase of Anacapa Canyon. Regarding operating expenses and the cost of energy sales, the current year has improved due to the California Department of Water Resources contract.

Nicole Stan pointed out the Footnotes to the committee and how the cash on hand is considered healthy and would last the Site Authority approximately three years. CohnReznick did not find any issues, significant deficiencies, or material weaknesses with the internal controls related to the financial statements. No issues were found with compliance or other related matters.

The Financing Authority's financial audit has been completed as of June 30th, 2024. The Financing Authority report is identical to the Site Authority report. CohnReznick is responsible for conducting an audit to perform reasonable, not absolute assurance. CohnReznick is responsible for communicating any issues that would be significant. The plan of the scope of the audit was not altered. CohnReznick did not become aware of anything that would tailor or alter their procedures. CohnReznick is independent and in compliance with the Compliance with All Ethics Requirements Regarding Independence. Regarding the audit, there were no significant risks found. CohnReznick found that the qualitative aspects of the audit regarding the Financial Statement Disclosure were reasonable. CohnReznick did not identify or suspect any fraud and had no significant difficulties. No corrected or uncorrected statements were found during the audit. There were no disagreements with management during the audit. There were no other circumstances that would impact the audit report. Regarding Management Consultations with Other

Accountants, CohnReznick was not aware of any. CohnReznick was not aware of any significant matter finding or issues for either the Site Authority or the Finance Authority.

Nicole Stan continued by sharing the Financing Authority financial statements. She explained they have been extremely consistent year after year. CohnReznick issued a clean opinion on the Financing Authority's financial statements. CohnReznick found no additional disclosures that were done in the current year, no finding when it comes to internal control, and no significant deficiencies or material weaknesses.

Chairperson Laura Hernandez asked about the timing of the Financial Audit Report. Ms. Stan announced that CohnReznick is ready to issue the report as soon as the Management Representation letters are signed.

Committee member Martita Martinez-Bravo asked about the \$1.3 million decrease in liability. Ms. Stan stated that the total current liabilities have decreased by \$1.3 million from a combination of the timing of payments, and the CI Power \$582,000 penalty that was accrued is not there in the current year.

John Lazarus noted that the Letter of Engagement will be signed by the Site Authority Board Chairperson with the approval of the Audit Committee.

Committee member Martinez-Bravo suggested presenting the budget and financial audit information in a visual layout with graphs. She suggested viewing the City of Camarillo's presentation.

ACTION ITEM: Request the Audit Committee to approve the opening of the Audit.

Motion was made by Kelly Long to approve the action item. The motion was seconded by Martita Martinez-Bravo and carried unanimously by roll-call vote.

ADJOURNMENT

Stephanie Bracamontes stated that the operational audit being done on the Site Authority will be disclosed to the financial auditors.

John Lazarus explained that Item 8, Added Services Beyond the Scope of the Audit, refers to educational courses that CohnReznick offers to the Audit Committee to help better understand the audited financials.

Chairperson Hernandez asked about Item 6, the Audit Fee Budget and Actual Results. Mr. Lazarus confirmed that it was the same amount as last year's audit. He stated that this is the fourth year of the Request for Proposal. A couple of options will be presented to the board.

Regarding the request to make the financial statements easier to understand, the University is exploring using a tool called Qwestica. Which is an easy-to-use, comprehensive, and collaborative cloud-based solution for operating, capital, and salary budget preparation and management. Similar to the OpenGov cloud-based government transparency software.

There being no further business, the meeting was adjourned at 11:44 AM

APPROVED

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

Christina Sotelo 12/03/2024
Christina Sotelo (Dec 3, 2024 11:38 PST)

Christina Sotelo, Secretary

Date