

**SITE AUTHORITY STANDING AUDIT COMMITTEE MEETING MINUTES**  
**Thursday, September 18, 2025, 8:00 AM Via a Zoom Conference Call**

**Site Authority Audit Subcommittee Members:** Councilwoman Laura Hernandez (Audit Committee Chair), Supervisor Kelly Long, Councilwoman Martita Martinez-Bravo

**Site Authority Board Members Present:** Bradley Olin

**Staff Invited:** Stephanie Bracamontes, Paula Roberts, John Lazarus, Leo Cervantes, Christina Sotelo, Dorothy Patten

**Independent Auditors Invited:** Nicole Stan with CohnReznick

Chairperson Laura Hernandez called to order at 8:05 AM

Nicole Stan stated that CohnReznick was engaged to audit the financial statements for the fiscal year ending June 30, 2025. She stated that both audits resulted in unqualified (clean) opinions, which represent the highest level of assurance an auditor can provide with no issues that would cause CohnReznick to change their opinion.

1. Nicole Stan presented the audit reports for the Site Authority and Financing Authority, explaining that the audits were conducted together. The presentation began with the required communication and those charged with governance, followed by a high-level review of the financial statements, including year-over-year changes and key highlights. Ms. Stan explained that the auditors' responsibility is to express an opinion on the financial statements. She noted that an audit provides reasonable, not absolute, assurance because it relies on a risk-based sampling approach that focuses on areas of significant risk and material items. She added that all areas of significant risk and material items are fully tested. When it comes to corrected and uncorrected misstatements, Ms. Stan explained that the audit applies a threshold to determine whether adjustments are necessary. No misstatements exceeded that threshold, and none were proposed. She reported no disagreements with management and no issues affecting the auditor's report or opinion. When it comes to consultation with other accountants, she confirmed that no such consultations occurred and that there were no disagreements with management or issues affecting auditor independence. She also confirmed that no such consultations occurred and that there were no other significant matters, findings, or issues to report. A question was asked about audit risk and how it was addressed. Ms. Stan explained that, consistent with auditing standards, management override of controls and revenue recognition are considered standard risk areas and therefore receive additional audit attention. No issues were identified.
2. The Financing Authority Financial Statements for June 30, 2025, were presented, noting that the audit opinion was identical to the prior year except for updated dates. She highlighted that the second paragraph of the report contains the unqualified opinion, confirming that the financial statements present fairly in all material respects. Ms. Stan reminded the group that management and the auditors' responsibilities are summarized in the report and detailed further in the engagement letter and noted that the same unqualified opinion applies to both the Financing Authority and Site Authority. Ms. Stan reviewed the required supplementary information, noting

that much of it is mandated by the Chancellor's Office. She explained that the auditors do not issue an opinion on this information but verify that all figures agree with the audited financial statements, notes, or trial balances. The Management's Discussion and Analysis noted an immaterial \$19,000 increase in both assets and liabilities and no significant changes to the Financing Authority's pass-through operations. The operating revenue, derived from the special tax, remained consistent with the prior year at \$836,000 in 2024 and \$853,000 in 2025. She noted that the prior year's cash balance reflected a payable that has since been settled and that the accompanying notes to the financial statements were largely unchanged aside from updated figures. She reviewed the supplemental information, noting that the figures align with the financial statements, such as accounts receivable of \$41,000 appearing consistently across both. The internal controls letter was reviewed, confirming that no control issues, deficiencies, or weaknesses were identified and that the same conclusion applies to the Site Authority.

3. The Site Authority Financial Statements were presented, noting that the audit resulted in a clean, unqualified opinion. Reviewing the statement of net position, Ms. Stan reported a \$3.6 million increase in total current assets, driven primarily by the Anacapa development build-out, University Glen operations, and DWR power operations, partially offset by other operations and timing-related decreases in receivables. Restricted cash remained comparable to the prior year, while restricted investments increased by approximately \$1.2 million due to investment gains. Capital assets decreased because of standard depreciation. Ms. Stan reviewed the liabilities, noting that current liabilities totaled approximately \$750,000 and remained consistent with the prior year, with changes primarily reflecting the timing of payments. She explained that the increase was mainly due to the Broome Library debt, which includes a \$900,000 payment scheduled for the following year. Noncurrent liabilities decreased correspondingly as amounts were paid down and reclassified from long-term to short-term obligations. Ms. Stan noted that obligations related to the public-public partnership reflect scheduled payments and that the Site Authority's deficit improved from \$25.9 million to \$19.1 million. Ms. Stan shared that operating revenue rose by about \$600,000, while expenses increased modestly. Improved efficiency reduced the deficit from \$25.9 million to \$19.1 million, and nonoperating revenue increased by \$793,000. Nicole Stan reported that net cash from operations rose from \$1.5 million to \$5.9 million due to higher rents, leases, and energy sales. Cash used for capital and financing activities remained steady at \$3.4 million. It was noted that cash used for investing activities decreased from \$7.8 million to \$4.9 million, reflecting fewer investment purchases compared to the prior year. Year-end cash and cash equivalents increased from \$7.4 million to \$12.6 million. Ms. Stan noted that the notes to the financial statements and accounting policies remain unchanged. She reported that the new GASB 101 standard on compensated absences was adopted with no impact on the Site Authority. Ms. Stan highlighted the Site Authority's strong liquidity position, noting a positive net cash flow of \$5.4 million and available liquidity of \$9.2 million. In response to a question about the liquidity measure, Nicole Stan explained that it is evaluated over the next fiscal year. She noted that with approximately \$9.2 million in current assets, excluding restricted and prepaid amounts, the Site Authority has sufficient reserves to cover its liabilities for the coming year without relying on additional revenue. Nicole Stan noted that restricted investments remained unchanged from the prior year and continue to be held in CalTRUST, valued based on underlying asset values rather than market prices. Interest income totaled \$676,000. Capital assets decreased from \$3.2 million to \$2.9 million due to depreciation. Obligations under the public-public partnership decreased from \$32 million to \$30.9 million,

reflecting scheduled payments. She stated that the bond activity remained consistent with the prior year, with payments totaling \$2.4 million. Nicole Stan concluded by reviewing the Chancellor's Office required information, noting it was consistent with the Financing Authority report. She highlighted that the auditors did not identify any internal control issues during the audit, though their review was limited to controls relevant to the financial statements.

**ACTION ITEM:** Request the Audit Committee to approve Audited Financial Statements.

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

**ADJOURNMENT**

Stephanie Bracamontes noted that the Chancellor's Office also conducted an operational audit this year, included in the board packet, with only a few findings. These reviews, done every three years, support fiscal health and internal controls. Staff added that the CSU system is implementing a new Delegation of Authority module to streamline electronic approvals.

There being no further business, the meeting was adjourned at 9:00 AM

**APPROVED**

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

*Christina Sotelo*                      05/14/2026  
Christina Sotelo (May 14, 2026 11:34:26 PDT)

Christina Sotelo, Secretary

Date