AUDIT COMMITTEE MEETING
Date: Wednesday, September 17th, 2025
Time: 4:00pm – 5:00pm
Location: https://csudh.zoom.us/j/89512174746
Dial-In: +1 669 444 9171 **Meeting ID**: 895 1217 4746

MEETING MINUTES

Voting Members Present:	Chair Ryan Heredia, Brad Beverage, Justin Gammage Ph.D., Fran Fulton *(Arrived Late)*
Staff Present:	Tranitra Avery, Markis Lazarre, Cherisse Ross, Dakota Hughes, David Petersen, Gillian Fischer
Guests Present:	Nicole Stan, Jackie Richman

I. Call to Order

- Chairperson Heredia called the meeting to order at 4:02 PM

II. Roll Call

- Mr. Lazarre conducted the roll call. A quorum was confirmed.

III. Approval of Consent Agenda

A. Approval of Agenda

i. September 17th, 2025

B. Approval of Previous Meeting Minutes

i. May 8th, 2025

- Chairperson Heredia introduced the consent agenda, consisting of approval of the September 17th, 2025 agenda and the May 8th, 2025 meeting minutes. Member Beverage moved to approve the consent agenda. Member Gammage seconded. The motion was approved unanimously.

IV. Public Comments

- Chairperson Heredia opened the floor for public comments and asked any attendees to state their names for the record. No public comments were offered.

V. CohnReznick LLP's FY 2024-25 SEFA and Financial Statement Audit Presentation
Nicole Stan | *Audit Partner*, Jackie Richman | *Audit Director*, Aisha Bahadar | *Audit Director — CohnReznick LLP*

- Audit Partner Nicole Stan presented the required communications and audit scope for the year ended June 30th, 2025, noting that the engagement letter was dated March 21st, 2025, and that the audit was risk-based and sample-based, providing reasonable assurance rather than absolute assurance. She affirmed the firm's independence and explained that while internal control auditing is not part of the engagement, control matters identified during testing must be communicated if they rise to the level of significant deficiency or material weakness. She stated there were no indications of fraud and no significant difficulties encountered. She also explained the second-partner review process prior to issuance and indicated that the financial statement numbers reviewed with the committee were not expected to change.

- Ms. Stan outlined qualitative aspects of accounting practices, noting the adoption of Governmental Accounting Standards Board Statement No. 101 (compensated absences) which added an accrual for sick leave, and reviewed significant risks considered in the audit, including management override of controls and improper revenue recognition. She described proposed audit adjustments that management recorded in the current year and immaterial passed adjustments related primarily to prior-period expense cut-off and intercompany eliminations between OSRP and TAP. She explained that, taken together, the entries had implications for internal controls and would be described in the letter on internal control. Ms. Stan reported the audit would result in an unmodified opinion upon completion of the firm's internal review and receipt of a signed management representation letter.

- Audit Director Jackie Richman reviewed the draft financial statements and key year-over-year changes. She highlighted a decrease in current assets driven by lower grants receivable, a modest decrease in long-term investments due to conversions to cash and money market holdings, and the absence of capital additions with depreciation as the sole change to capital assets. She noted an increase in current liabilities due to accounts payable timing, and explained the reclassification of the note payable to the Philanthropic Foundation into current liabilities following the resumption of payments in 2025, with the remaining balance expected to be paid in fiscal year 2026. She discussed the cash flows reflecting improved collections, the schedule for fiduciary activities held on behalf of campus organizations, and related-party disclosures coordinated across campus auxiliaries to ensure receivable/payable symmetry. She further described the OPEB pension-related notes relying on prior-year measurement dates due to actuarial timing conventions and confirmed that assumptions were reviewed for reasonableness.

- Member Beverage asked why certain small-dollar related-party amounts remained disclosed; Ms. Stan explained that once a disclosure is required, reporting zero when a non-zero balance exists would be misleading, and that even small recurring balances may warrant process review.

- Ms. Stan informed the committee that issuance of the Schedule of Expenditures of Federal Awards (SEFA) report was delayed system-wide because Uniform Guidance for the period had not yet been finalized by the federal government. The audit team has performed work based on the most recent draft guidance and will return to finalize and present the SEFA portion once the guidance is issued; this circumstance does not affect the timing of the financial statement opinion.

VI. Consent Action Items

A. Approval of Schedule of Expenditures of Federal Awards *(SEFA)*

B. Approval of Independent Auditor's Report FY 2024-25

- Chairperson Heredia requested a motion on the consent action items presented by the external auditors. Member Beverage moved to approve the Independent Auditor's Report for FY 2024–25. Member Gammage seconded. The motion was approved unanimously. In light of the auditors' explanation regarding pending federal guidance, the committee tabled the SEFA item to the next Audit Committee meeting.

VII. Assurance Audit Fieldwork Update & Preparedness Rationale
Markis Lazarre | *Executive Assistant*, Tranitra Avery | *Executive Director*

- Executive Director Avery and Mr. Lazarre provided an update on TAP's readiness for the CSU Chancellor's Office Assurance Audit fieldwork. Executive Director Avery recapped the Chancellor's Office's December visit indicating the likelihood of an assurance audit and confirmed that campus risk management had since notified TAP of a fieldwork start in early October. She described the internal emphasis on preventing reversion to prior practices through documented policies, procedures, and evidence of implementation, and noted that several policy updates before the Board would support compliance.

- Mr. Lazarre outlined the operational work plan, including a color-coded resolution matrix, structured Dropbox directories for evidence, and a new, consolidated request received September 9th that overlaps prior lists and now drives priorities toward the September 29th submission deadline. He detailed cross-departmental coordination among TAP operating units and OSRP, with assignments to Controller staff and other stakeholders to ensure timely delivery. Executive Director Avery added that monthly status updates to the committee would continue, with an executive summary planned for late October, given the likely Board-centric cadence before the next committee meeting. In discussion, Member Beverage noted the positive unmodified opinion and asked about avoiding repeat findings; Executive Director Avery cited recent staffing additions on grants accounting and strengthened processes intended to reduce such risk in the next cycle.

VIII. Other Items

- Chairperson Heredia thanked the audit team and staff for their work and confirmed that staff would coordinate the follow-up presentation on the SEFA once Uniform Guidance is finalized. No additional items were raised for discussion.

IX. Adjournment

- Chairperson Heredia requested a motion to adjourn. Member Beverage moved to adjourn. Member Gammage seconded. The motion was approved unanimously. The meeting was adjourned at 4:50 PM.