

AUDIT COMMITTEE MEETING

Friday, August 16, 2023

10:00-11:00 a.m.

Join via Zoom: <https://csudh.zoom.us/j/6862964425?omn=81322144669>**Or Dial-in: +1 669 900 6833 Meeting ID: 686 296 4425**

Members Present: Tony Jake, Ed.D., Fran Fulton, Del Huff, Brad Beverage
Staff Present: Tranitra Avery, Kelle Kain, Cherisse Ross
Guest Present: Nicole Stan - CohnReznick

I. Roll Call

This meeting was held via Zoom virtual platform. Members and guests could be heard clearly. Quorum met.

II. Call to Order

Meeting called to order by Chair Tony Jake at 10:23AM

III. Approval of Meeting Agenda

Beverage moved, Fulton seconded. Motion carried.

IV. Approval of Meeting Minutes

Fulton moved, Chair Jake seconded. Motion carried.

V. Public Comments

No one was present to represent the public.

VI. Action Item

Approval of FY2022-2023 - Single Audit Report - Presentation by CohnReznick, LLC

Nicole Stan began by providing an overview of the situation, outlining the steps taken, the findings, and the current status. She recalled that during a previous meeting, certain expenditures were questioned, particularly those recorded in the wrong fiscal years. Specifically, errors amounting to \$1.8 million were identified in the fiscal year ending on June 30, 2023, which should have been recorded in the previous year, FY22. Additionally, \$1 million in FY24 was found to belong to FY23. A significant portion of these errors, including \$1.5 million, pertained to federal grant expenditures, causing a disconnect between the financial statements and the Comprehensive Financial Aid (CFA) reporting. The team explored three potential approaches to address this issue: (1) removing the errors entirely, (2) incorporating the \$1.8 million into both the financial statements and the CFA, or (3) a hybrid approach where financial statements and CFA remain correct but don't align

perfectly. The final chosen approach involved leaving the CFA and financial statements as they are but addressing the disconnect by consulting with an expert in uniform guidance. This approach was ultimately approved, albeit with the acknowledgment that it would still present a disconnect between the financial statements and the CFA. The goal now is to obtain final approval from relevant authorities to ensure the proper representation of financials, balancing the need for accuracy and compliance with federal agency requirements.

VII. Other Items

None

VIII. Adjournment

Beverage moved, and Fulton seconded. The meeting was adjourned at 10:30 a.m.