

MINUTES

BEACH SHOPS

AUDIT COMMITTEE

Friday, September 6, 2024 – USU Senate Chambers

Members Present: Nikki Majidi, Chair
Milton Ordoñez
Matt Melendrez
James Ahumada
Dr. Nancy Dayne

Absent: Dr. Miles Nevin, Executive Director

Staff Present: Marianne Russo, Board Administrator
Tom Collier, Accounting Manager, Beach Shops
Idris Aydin, Director of Finance and Administration, ASI, Inc.

Guests: Bobby LaCour, Aldrich Advisors

A. Call to Order:

The meeting was called to order at 8:46 a.m. by Chair, Nikki Majidi

B. Approval of the Agenda: September 13, 2024

Motion to accept the Agenda as presented.

M/S Mr. Ahumada / Dr. Dayne

By acclamation the Agenda for the meeting of September 13, 2024 was hereby approved as presented.

C. Approval of Minutes: May 29, 2024

Motion to accept the Minutes as presented.

Dr. Dayne / Mr. Ordoñez

By acclamation the minutes of May 29, 2024, were hereby approved as presented.

D. NEW BUSINESS

- **Exit Conference 2023-2024 Fiscal Year End Audit** – Mr. Bobby LaCour reviewed their Audit Report and the Financial Statement documents provided to the committee.
 - This started with the Executive Summary where they discussed that Aldrich had rendered an unmodified opinion on the June 30, 2024, financial statements and had identified no conditions which they consider to be material weaknesses in internal controls.
 - Additionally, they had received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting their audit scope.

- Next Mr. LaCour presented a letter that had been written for the Audit Committee reviewing their responsibilities under the generally accepted Government Auditing Standards along with certain information related to the planned scope and timing of this audit process.
 - This document addressed the previously discussed new Accounting Standard for Current Expected Credit Losses (CECL) which will have an overall minimal impact to the Shops.
- From there, Mr. LaCour reviewed some minor corrected misstatements that were found during the audit process.
 - The only significant misstatement occurred when better information was made available as of June 30th, 2024, regarding the CalPERS pension liability.
 - The subsequent adjustment to the journal entries were to true up the value of this liability along with reclassifying designated funds in the amount of around \$1,087,000.
 - All other updates for these financials were proposed and updated through management's recommendations.
- Financial Statements Summary
 - Mr. LaCour reported that when reviewing the June 30th financial statements, the Beach Shops are in a healthy financial position based on our Balance Sheet and Investment Statement as the campus returns to pre-pandemic conditions.

Motion to accept the annual Audit Report as presented

M/S Mr. Ordoñez / Mr. Ahumada

By acclamation the Audit Report was hereby approved to recommend to the Board

E. Adjournment

There being no further business, the meeting was adjourned at 9:17 a.m.