

DRAFT
SAN FRANCISCO STATE UNIVERSITY FOUNDATION

AUDIT COMMITTEE MEETING MINUTES
Thursday, June 15, 2017 at 1:00 pm

Chair Don Nasser called the meeting of the Audit Committee to order at 1:06 pm.

Committee Members Present

Don Nasser, Chair
Don Endo, Director (via phone)
David L. Simon, Director (via phone)

Committee Members Absent and Excused

Greg Cosko, Director
Val Dolcini, Director
Dottie Simmons, Director

Others Present

Venesia Thompson-Ramsay, Secretary and Treasurer
Tammie Ridgell, Director, Auxiliary Business Services, SF State
Robert Nava, Foundation President
Maureen Pasag, Interim Associate Vice President of Audit & Advisory Services
Kim McCormick, Audit Partner, Grant Thornton
Marina Sandhu, Auditor, Grant Thornton

- I. **Review of Agenda:** The committee reviewed the agenda.
- II. **Approval of the October 14, 2016 Meeting Minutes:** The committee reviewed the minutes from the October 14, 2016 meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the minutes for the October 14, 2016 meeting, as prepared.

Motioned by: Don Endo Seconded by: David Simon Motion: Passed

- III. **Fiscal Year 2016/2017 Audit:** McCormick first confirmed that her office had received the audit engagement letter. She said the audit fieldwork would begin mid-August through August 25th.

McCormick said some significant areas that the audit would focus on included contributions, net position, investments and review of related party transactions. She said they had already tested nine months of contribution during the interim fieldwork. For net position, McCormick said they would be looking at the proper classification of assets into restricted and unrestricted.

She said the Foundation fell under Government Accounting Standards Bureau (GASB) and that investments were held at fair value. She pointed out that two real estate funds within the alternative investments portfolio did not have audited financial statements prepared. She mentioned that management was able to obtain comfort over the fair value of the underlying assets but that this process might become more difficult in future years without the presence of audited financial statements. McCormick stated that when alternative investments had audited financials it made the process easier. She advised the Foundation to invest in funds where we could obtain fair market value.

McCormick said that in addition to these significant areas there would also be the audit of cash.

- IV. **Committee Discussion with Auditors without Management Present:** After discussing the upcoming audit, the committee held an executive session with the auditors.
- V. **Other Business:** Nava mentioned that the Foundation received an audit request from a donor. He said the donor wanted the endowment, established by his gift, audited from inception to present. Nava said the donor was covering the costs associated with the audit. Nava mentioned that the endowment was established nearly twenty years ago. Ridgell and Thompson-Ramsay shared their concerns with the audit request and the challenges they would have in providing some backup documentation because of not only system changes over the past two decades but the auxiliary's record retention policy, which limits certain documents be kept for only seven years. Nava mentioned that the Foundation would prioritize the request and provide whatever data was available right after the independent audit was completed.
- VI. **Adjournment:** There being no further business to discuss, and with David making the motion and Don seconding, the Audit Committee was adjourned at 2:14 pm.

Respectfully submitted,

Don Nasser, Chair

Date