SAN FRANCISCO STATE UNIVERSITY FOUNDATION

AUDIT COMMITTEE MEETING MINUTES

Friday, September 29, 2017 at 1:30pm

Conference Call – (641) 715-3850

Greg Cosko called the meeting of the Audit Committee to order at 1:35pm.

Committee Members Present

Greg Cosko, Director (via phone)

Don Endo Director (via phone)

Val Dolcini, Director (via phone)

Absent and Excused

Don Nasser, Chair

David L. Simon, Director (via phone)

Others Present

Robert Nava, Foundation President

Venesia Thompson-Ramsay, Secretary and Treasurer

Vicky Lee, Director of Finance & Operations of University Advancement

Tammie Ridgell, Director, Auxiliary Business Services, SF State (via phone)

Maureen Pasag, Interim Associate Vice President of Audit & Advisory Services, SF State

Kim McCormick, Audit Partner, Grant Thornton

Marina Sandhu, Auditor, Grant Thornton

Qi Wen Liang, Grant Thornton

1. **Review of Agenda**: The committee reviewed the agenda.
2. **Approval of the June 15, 2017 Meeting Minutes**: The committee reviewed the minutes from the June 15, 2017 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 June 15, 2017 meeting, as prepared.

Motioned by: Don Endo Seconded by: Val Dolcini Motion: Passed

1. **2016-2017 Audited Financials Review**: Ridgell from reviewed the financial statements pointing out that the total net position increased by $11 million from $72 million in 2016 to $83 million in 2017. The overall increase is primarily attributed to $6.7 million in investment returns, $4.9 million in contributions and $2.4 million in endowed assets from the University that were transferred during the fiscal year. Ridgell also mentioned that the Foundation transferred $1.7 million to the University Corporation for scholarships, fellowships and endowment purposes. Ridgell mentioned two significant items that occurred during the year: 1) the national search and engagement of Cambridge Associates as Outsourced Chief Investment Officer (OCIO) and the 2) the review of investment and expenditure activity of one of the permanent endowments.
2. **Report to Board of Directors**: Sandhu said the time between when they were first engaged to the completion of the audit was 6 months. She said they also engaged a third party to provide fair value information on certain investments.

McCormick said the bulk of their time was spent on the investments – trying to understand the Foundation’s process of verifying the value of its alternative investments. Finally, McCormick said the draft financials were received six days late. Ridgell said this was due to staff turnover amid the audit. Additionally, McCormick said that another challenge was the lack of audited financials from one real estate fund. She said that recent market transactions helped them determine the fund’s fair value, but this valuation might be much more difficult in the coming years.

1. **Committee Discussion with Auditors without Management Present**: The Committee held a brief executive session with the auditors and University’s Interim Associate Vice President of Audit & Advisory Services.
2. **Acceptance of Audit Report**: Having completed the review of the audit, Cosko asked for a motion to accept the audit report, as reviewed.

MINUTE ACTION: That the committee approves the Audited Financial Statements and Audit Report for the years ending June 30, 2017 and 2016.

Motioned by: Don Endo Seconded by: Val Dolcini Motion: Passed

1. **Other Business**: None
2. **Adjournment**: There being no further business to discuss, the Audit Committee was adjourned at 2:24 pm.

Respectfully submitted,

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Don Nasser, Chair Date