**SAN FRANCISCO STATE UNIVERSITY FOUNDATION**

AUDIT COMMITTEE MEETING MINUTES

Friday, July 26, 2019 at 2:30 pm

Chair Don Nasser called the meeting of the Audit Committee to order at 2:31 pm.

Committee Members Present

Don Nasser, Chair

Jeff Wilson, Interim VP & CFO, SF State

Don Endo, Director (via phone)

Greg Cosko, Director (via phone)

David L. Simon, Director (via phone)

Val Dolcini, Director (via phone)

Others Present

Venesia Thompson-Ramsay, Foundation President

Tammie Ridgell, Associate Vice President, Auxiliary Business Services, SF State

Vicky Lee, Director of Finance

Kim McCormick, Audit Partner, Grant Thornton

Angela Hans, Auditor, Grant Thornton (via phone)

Ravi Karra, Investment Consultant, Cambridge Associates

1. **Review of Agenda:** The committee reviewed the agenda.
2. **Approval of the October 4, 2018 Meeting Minutes:** The committee reviewed the minutes from the October 4, 2018 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 4, 2018 meeting, as prepared.

Motioned by: Greg Cosko Seconded by: David Simon Motion: Passed

1. **Fiscal Year 2018/2019 Audit:** McCormick from Grant Thornton first confirmed that the audit engagement letter had been executed. She went over the timeline. She said the audit fieldwork would begin on August 5th and would end on August 30th with the results due around mid –too late September.

McCormick said some significant areas that the audit would concentrate on included contributions, net position, investments and review of related party transactions. She said they would focus on donor restrictions for gifts. 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. As the University had started to receive cryptocurrency gift in FY18-19, she pointed out that it was important to properly address the value of the XRPs (the cryptocurrency that were donated) we still had on hand as of June 30th year end. McCormick requested a copy of the agreement.

McCormick said it was more difficult to determine fair value for alternative than exchange-traded investments as the input were not as readily available. She said that other universities encounter this same problem but SF State Foundation seemed to have a higher proportion of alternative investments in the portfolio compared to others. McCormick recommended that management collaborate closely with Cambridge Associates (investment consultant) to obtain fair values of these investments and be comfortable with the resulted figures.

It was also recommended that Tammie Ridgell, Associate Vice President of Auxiliary Business Services to join future investment committee meetings.

1. **Committee Discussion with Auditors without Management Present:** After discussing the upcoming audit, the committee held an executive session with the auditors.
2. **Other Business:** The Audit Committee Charter was sent out to the all committee members at the request of Chair Don Nasser. Chair Nasser said that all members should review the Charter and understand their duties as a Committee member. A future meeting to discuss can be set, if needed.
3. **Adjournment:** There being no further business to discuss, and with Wilson making the motion and Simon seconding, the Audit Committee was adjourned at 3:52 pm.