

SONOMA STATE UNIVERSITY

Academic Foundation, Inc.

Board of Director's Meeting

Tuesday March 4, 2002

Agenda Item II - Approval of December 3, 2002 Minutes

I. Call to Order. Dr. Ruben Armiñana Board Chair, determined that a quorum was present (refer to Record of Attendance for December 3, 2002). The Board Chair made the following general comments:

❖ FY 2003/04 State Budget

- ✓ CSU is faced with potential \$25 billion reduction.
- ✓ Governor Davis has called for a Special Legislative Session beginning December 9, 2002.
- ✓ Potential for the CSU to received a \$5 billion reduction to the FY 2002/03 budget.
- ✓ CSU Board of Trustees to consider an increase in the State University Fee for the Spring 2003 term.

II. Old Business

A. Approval of the September 20, 2002 Board Minutes was given without correction.

III. Action Items

A. Presentation of FY 2001/02 Financial Reports - Zainer Rinehart Clarke

Linda Kachiu, engagement partner from Zainer Rinehart Clarke presented the audited FY 2001/02 financial statements and report.

Discussion: Ms. Kachiu guided the Board through the basic financial statements and footnotes. She discussed changes in the statements and presentation format that were adopted by the Foundation at July 1, 2001 as required by Governmental Accounting Standards Board (GASB) pronouncements 34, 35, 37 and 38.

APPROVED ITEM II, SSUAF BOD'S March 4, 2003 MEETING

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Motion: Approve and accept the FY 2001/02 audited financial statements and management letter.

Action: Motion was accepted, seconded and passed unanimously.

The following responses are provided in these minutes to inquiries made during the FY 2001/02 Financial Statement presentation.

1. Detail of Reclassification of Deferred Receipts, June 30, 2001. Refer to Note 6-Prior Period Adjustment, page 21 of the statements.

Campus Programs	\$11,548,974
Scholarships	\$ <u>339,514</u>

Total Reclassified at June 30, 2001 \$11,888,488

Campus Programs consisted of;	
Green Music Center Campaign	\$10,697,586
Charles and Jean Schulz	\$82,781
Computer and Engineering Science	\$81,333
Regional Writers' Room	\$79,605
Wine Industry Education	\$70,344
Several Hundred Smaller Projects	\$537,326
Total Campus Programs at June 30, 2001	\$11,548,974

Scholarships consisted of 4 accounts with balances greater than \$10,000 with the remaining projects averaging \$700.

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2. Breakdown of Other Non-Operating Expenses. Refer to page 9 of the Statements.

Transfers to SSU & Other SSU auxiliary	\$2,508,040
Payments to Remainder Trust Beneficiaries	\$812,002
Investment expenses	\$46,687
Uncollectable pledges	\$23,072
Total Other Non-Operating Expenses	\$3,389,801

B. Compliance Review Committee Report - Ms. Del Tague Newman

Board Member Del Tague Newman chaired the committee charged with the annual review of expenditures from endowment funds with the objective of ensuring that expenditures made were as directed by the donors. Ms. Newman's report dated November 15, 2002 was distributed to members for discussion and review.

Discussion:

- ✓ Acknowledged and thanked Carmen Finley, Letitia Coate, and Lance Plaza for their assistance and participation.
- ✓ Briefed members on the process involved in selection and review.
- ✓ Noted that there was an increase in the number of exceptions found during this review period; 4 out of 28 funds reviewed. Beth Robertson expressed concern also.

Motion: Approve Ms. Newman's November 15, 2002 report.

Action: Motion was accepted, seconded and passed unanimously

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C. Resolution Granting Authority to Officers

With the arrival of Stuart Jones, SSU Vice President for Development and President of the SSUAR Board of Directors, it is necessary to revise Corporate Resolution 95-01. This resolution delegates to the officers of the corporation the authority to act on behalf of the Board of Directors in the conduct of contractual and fiscal affairs of Sonoma State University Academic Foundation.

Motion: Approve Corporate Resolution 02-01 as recommended.

Action: Motion was accepted, seconded and passed unanimously

IV. Development Report.

- A. Expressed overall appreciation to the Board for its work.
- B. Announced that Lance Plaza will be focusing his efforts on academic funding initiatives and planned giving.
- C. Announced that Byron Blois had joined the Development staff focusing on scholarships and the Festival on the Green program.
- D. Provided a status of the Green Music Center Capital Campaign as of September 30, 2002. SSU is searching for a firm commitment of \$10 million to enable construction.

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V. Finance Committee Report

- A. Committee Report for September 10, 2002. Agenda item V.A was reviewed with the Board, which included significant actions taken by committee. The committee's minutes of June 25 and July 31, 2002 were included.

Respectfully submitted,

Steve Wilson

Vice President/Chief Operating Officer

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