

**CAL POLY POMONA FOUNDATION, INC.
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

AUDIT COMMITTEE MEETING

**Wednesday, February 3, 2021
1:00 pm – 2:00 pm
Zoom**

AGENDA

- I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC** *who may or may not be commenting on a specific item or making a general comment.*
- II. CONSENSUS ACTION ITEMS** **PAGE**
Consensus Action Items: Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion.
1. Minutes September 21, 2020 David Speak 2
ACTION: Approval
- III. GENERAL UPDATES**
2. Foundation Update Jared Ceja
- IV. ACTION ITEMS**
3. Selection of CPA Firm – Financial and Single Audits Joanne Matthew 3
ACTION: Approval
4. Selection of CPA Firm – External Child Dev Preschool Grant Joanne Matthew 4
ACTION: Approval
- V. INFORMATION & DISCUSSION ITEMS**
5. CSU Audit & Advisory Services support Jared Ceja 5
- VI. OPEN FORUM**

CAL POLY POMONA FOUNDATION, INC.
Audit Committee Meeting Minutes
September 21, 2020
3:00 p.m.

Present: Dr. David Speak, Ruby Suckecki, Cynthia Nelson, John McGuthry, Joice Xiong and Joseph Simoneschi

Absent: Dr. Phyllis Nelson

Staff: Claudia Burciaga-Ramos, Jared Ceja, Jenny Dennis, Christine He, Karen Sandoval and Jason DeBellis

Guests: Andy Maffia, Joe Romero, Kristen Guzman and Dan Banfield

CALL TO ORDER

The meeting was called to order at 3:01 p.m.

CONSENSUS ACTION ITEMS

1. Approval of Minutes

The minutes of February 13, 2020 were approved by consent. A motion was made by Joe Simoneschi and seconded by John McGuthry.

2. 2019-2020 External Child Care Center Audit

Joe Romero, Partner with GYL LLP presented the Audit Report of the State Preschool Program grants from the California Department of Education for the fiscal year ended June 30, 2020. He reviewed the required communication, their audited opinion, financial statements and footnotes. The results of GYL's tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards. In addition, there were no matters involving the internal control over financial reporting and its operation that GYL considered to be a material weaknesses.

Approved by consensus to accept GYL LLP State Preschool Program Audit Report for the fiscal year ended June 30, 2020 and requests the report be presented to the Board of Directors for approval.

ACTION ITEMS

3. 2019-2020 Financial and Single Audit Reports

Andy Maffia, Dan Banfield and Kristen Guzman with Aldrich Advisors presented the Financial and Single Audit Reports for the fiscal year ended June 30, 2020. Andy reviewed the required communication, their audited opinion, management discussion and analysis, financial statements and footnotes.

Aldrich rendered the Foundation an unmodified opinion on the June 30, 2020 financial statements. They did not identify conditions considered to be material weaknesses in internal controls. They rendered an unmodified opinion with no management letter comments, one material weaknesses, no reportable conditions and no compliance issues noted proposed and/or discussed with management over major programs as of June 30, 2020.

A motion was made by Joe Simoneschi to accept Aldrich's unmodified opinion upon the Foundation's Financial and Single Audit Reports for the fiscal year ended June 30, 2020 and requested the reports be presented to the Board of Directors for approval. The motion was seconded by Cynthia Nelson and approved unanimously.

INFORMATION ITEMS

No information items.

The meeting was adjourned at 4:58 p.m.

David Speak

Dr. David Speak, Chair,
Audit Committee

Memorandum



Date: February 1, 2021

To: Audit Committee
Cal Poly Pomona Foundation, Inc.

From: Joanne Mathew
Director of Financial Services/Chief Financial Officer

Subject: **EXTERNAL FINANCIAL Audit, SINGLE AUDIT, AND TAX RETURN (990) PREPARATION– 2021-2022**

The Foundation issued Request for Proposals (RFP) in 2017 to perform the Foundation financial and single audit for fiscal years 2017-2018 through 2021-2022 to 11 certified public accounting firms to conduct audits for GASB entities. Seven firms responded to the RFP including Aldrich CPAs and Advisors; BKD CPAs and Advisors, Clifton Larson Allen; Cohn Reznick, Macias, Gini & O'Connell, LLP; Vasin, Heyn & Company, and Windes.

The Selection Committee, consisting of Board Members and Staff, evaluated each firm and selected Aldrich CPAs and Advisors for the five year period. Fiscal year 2020-2021 will be the fourth year of our engagement with Aldrich CPAs and Advisors. The estimated total cost of these services is under \$80,000.

In addition to the financial audit, tax return preparation, and single audit, any consulting necessary regarding the implementation of the lease standard (GASB 87) will be billed as out of scope based on our hourly rates.

PROPOSED ACTION

WHEREAS, Management is requesting the Audit Committee's approval to retain the selected firm to perform the financial audit (including additional internal control testing as needed), single audit, and preparation of tax returns (990) for the fiscal year ended June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED that the Audit Committee approves retaining Aldrich CPAs and Advisors to perform the financial audit (including additional internal control testing, as needed), single audit, and preparation of tax returns (990) for the fiscal year ended June 30, 2021 and will present the Audit Committee's recommendation for review and approval to the Board of Directors at its next regularly scheduled meeting.

Passed and adopted this 3rd day of February 2021.

David Speak

By: _____
David Speak, Chair
Audit Committee

Memorandum

Date: February 1, 2021
To: Audit Committee
Cal Poly Pomona Foundation, Inc.
From: Joanne Mathew
Director of Financial Services/Chief Financial Officer



Subject: EXTERNAL CHILD DEVELOPMENT PRESCHOOL GRANT PROGRAM AUDIT – 2021-2022

Foundation manages a Child Development Preschool Grant program funded through the California Department of Education (“Program”). The Program, which disburses public funds under contracts with non-profit organizations to provide services to children under code section 8448 of the California Education Code, requires an annual financial and compliance audit. In November 2015, Foundation issued a request for proposal (RFP) for an independent audit of this grant program to five certified public accounting firms who specialize in this type of audits.

GYL Decauwer, LLP met the criteria as presented by management and was selected for the audit engagement beginning in Fiscal year 2015-2016. The current year ending June 30, 2021 will be the sixth year for the firm.

The estimated total cost of the audit services for the Program is \$15,900.

PROPOSED ACTION

WHEREAS, Foundation management is requesting the Audit Committee’s approval to retain the recommended firm to perform the Child Care audit for the fiscal year ended June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED that the Audit Committee approves retaining GYL Decauwer, LLP to perform the Child Care audit for the fiscal year ended June 30, 2021 upon mutual agreement by the firm and will present the Audit Committee’s recommendation for review and approval by the Board of Directors at its regularly scheduled meeting.

Passed and adopted this 3rd day of February, 2021

David Speak

By: _____
David Speak, Chair
Audit Committee