MEMORANDUM

DATE: October 4, 2019

TO: Carrie Birkhofer, David Heald, Barbara Scherer, Norm Schwartz and Karen Semingson

FROM: Lee Duffus, Chair

STAFF: Eileen Hill and Nancy Machado

GUEST: Terri Montgomery

Eide Bailly LLP

SUBJECT: Audit Committee Agenda

Friday, October 11, 2019
10:00 to 11:00 a.m.
Cabrillo College Sesnon House, Room 1824
6500 Soquel Drive
Aptos, CA 95003

Item | Responsibility | Page
--- | --- | ---
A. Regular Open Session
1. Welcome and Call to Order | L. Duffus |  

2. Approval of Agenda | L. Duffus |  

*We reserve the right to change the order in which agenda items are discussed and/or acted upon at this meeting. Subject to further action, the agenda for this meeting is to be approved as presented. Items may be added to this agenda for discussion or action only as permitted by the Brown Act.*

Any open session writings distributed either as part of the agenda packet, or within 72 hours of a regular meeting, can be viewed at the Foundation office, 6500 Soquel Drive, Aptos, CA 95003.
### A. Regular Open Session (cont.)

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<td>L. Duffus</td>
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### B. Public Comment

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<tr>
<td>1. Public Comment Opportunity</td>
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### C. Reports

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<td>1. Cabrillo College President Report</td>
<td>E. Hill</td>
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<td>E. Hill</td>
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<td>2.5 2019-20 Fundraising Totals and Goals</td>
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<td>3. Funding Liability for Retiree Medical Benefits</td>
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### D. Action Items

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<td>T. Montgomery</td>
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<td>1.1 Board communication letter</td>
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<td>Separate Attachment</td>
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<td>1.2 2018-19 Audit Draft</td>
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<td>2. Retiree Medical Benefits Actuarials</td>
<td>L. Duffus</td>
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<tr>
<td>2.1 FAS 106 Actuarial Frequency</td>
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<td>2.2 GASB 74/75 Actuarial Frequency</td>
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### E. Informational Items

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<th>Item</th>
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<tr>
<td>1. 2018-19 Audit Timeline</td>
<td>N. Machado</td>
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<tr>
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<td>L. Duffus</td>
<td>20 - 21</td>
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### F. Adjournment

<table>
<thead>
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<th>Item</th>
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<tr>
<td>1. Adjournment</td>
<td>L. Duffus</td>
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Next Meeting:
June 2020
TBD
10:00 a.m. to 11:00 a.m.
Sesnon House, Room 1824

Audit Committee Attendance Chart

<table>
<thead>
<tr>
<th>Audit Committee Members</th>
<th>10/19/17</th>
<th>6/1/18</th>
<th>10/1/18</th>
<th>5/20/19</th>
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<tbody>
<tr>
<td>Carrie Birkhofer</td>
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<tr>
<td>Lee Duffus</td>
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<tr>
<td>David Heald</td>
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<td>Barbara Scherer</td>
<td>A</td>
<td>P</td>
<td>P</td>
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<tr>
<td>Norm Schwartz</td>
<td>P</td>
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<td>A</td>
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<tr>
<td>Karen Semingson</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
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A=Absent, P=Present, N=Not on Committees
Attendance is based on the Audit Committee meeting minutes. Please call Nancy Machado at 479-5032 if you believe this chart is in error.
Cabrillo College Foundation
Audit Committee Meeting
Minutes of May 20, 2019, distributed to Audit Committee May 23, 2019

Present: Pegi Ard, Carrie Birkhofer, Lee Duffus, David Heald, Barbara Scherer, and Karen Semingson

Absent: Norman Schwartz

Staff: Eileen Hill and Nancy Machado

Guests: Jill Stenton, Vavrinek, Trine, Day & Co., LLP

Call to order: L. Duffus called the meeting to order at 10:03 a.m.

Approval of Agenda:
Motion: MSC: C. Birkhofer/B. Scherer to approve the Audit Committee Agenda

Public Comment Opportunity: There were no members of the public in attendance.

Approve Audit Committee Minutes:
Motion: MSC: K. Semingson/C. Birkhofer to approve Audit Committee Minutes as of October 1, 2019. Pegi Ard, Carrie Birkhofer, Lee Duffus, David Heald, Barbara Scherer and Karen Semingson. Norman Schwartz was not present and Barbara Scherer abstained.

Executive Director Report
Eileen Hill reported that the Foundation has raised $3,173,962 and $1,405,000 has been added in unbooked planned gifts.

She reported that the Foundation received a $25,000 grant for the Dental Hygiene Side by Side project. The Dental Hygiene Side by Side project is teaching dental hygiene to stroke center students and their caregivers.

Disbursements to Cabrillo College and students from July 1, 2018 to March 31, 2019 was $1,565,923 ($931,664 as direct scholarships to students).

2018-19 Audit Timeline:
The following is a projection for the 18-19 Cabrillo College Foundation audit process:

May 20, 2019 Auditor meets at Cabrillo College Foundation with Audit Committee to review how the audit will be conducted. Representative(s) of Audit firm will attend meeting.
Audit Committee Meeting
Minutes of May 20, 2019
Page 2 of 5

Week of
August 19, 2019  Cabrillo College Foundation on-site audit.

September 9, 2019  Foundation receives proposed audit adjustments for review by Nancy Machado, Lynn Brisson, CPA and Pegi Ard, Foundation CFO.

September 16, 2019  Foundation receives audit draft for review by Nancy Machado, Eileen Hill, Lynn Brisson, CPA and Pegi Ard, Foundation CFO.

To be scheduled  Audit Committee meets to review/accept audit draft. Representative(s) of Audit firm will attend meeting.

October 18, 2019  Executive Committee receives e-mail audit draft for review prior to Executive Committee meeting.

October 24, 2019  Executive Committee receives recommended audit draft for review and acceptance.

October 25, 2019  Cabrillo College Foundation staff e-mails Audit Committee members a red-line draft Audit so they are made aware of any changes made to the Audit Report after the Executive Committee meeting.

November 12, 2019  Cabrillo College Foundation Board of Directors meet to accept audit. Representative(s) of audit firm will attend meeting.

2018-19 Audit Discussion
Jill indicated the Audit team will focus on the biggest areas of risk, which in our case is investments, contributions, bequests and booked irrevocable trusts. Confirmations will be sent to banks to verify balances and also to donors to confirm donations. For bequests and donations, the team will be reviewing gifts to ensure gift restrictions were accurately recorded and gift fees were calculated correctly.

Discuss upcoming accounting standard changes
Jill discussed upcoming changes to the financial presentation starting with the 2018-19 fiscal year audit (monthly in-house financial statements will look the same). The main change is to the net asset classifications. Instead of Unrestricted funds, Temporarily Restricted and Permanently Restricted columns, there will be two columns; one for
Unrestricted funds and the other for Temporarily and Permanently Donor Restricted funds.

Beginning, July 2019, there are changes relating to accounting for leases to record right-of-use asset and lease liability. There are also new rules for staff parking spaces perhaps requiring the Cabrillo College Foundation to book in kind income/expense for parking spaces in addition to rent. Jill will review the Foundation’s master agreement with Cabrillo College to determine if the new rules will apply to the Cabrillo College Foundation.

**Beginning with the June 30, 2019 audit, a Financial Narrative Footnote will be required as a result of implementation of ASU 2016-14. The footnote will detail the liquidity and availability of the Cabrillo College Foundation cash and investments taking into consideration, limitations and restrictions on the spending. Jill will provide more information prior to the 18/19 audit.**

**Discuss FAS 106 and GASB 74/75 Actuarial frequency and cost**
The Cabrillo College Foundation has a liability for Other Post-employment Benefits providing retiree medical benefits. Currently there is one employee eligible for this benefit and one retiree using the benefit. This benefit is not offered to new hires or other foundation employees.

As a non-profit, the Cabrillo College Foundation would normally receive a FAS 106 actuarial. As an Auxiliary Organization of the College, we have been following GASB and therefore obtaining the GASB 74/75 report and recording the liability according to the report.

Jill explained that the FAS 106 liability would be $121K and the GASB 74/75 liability would be $117K. The $4K difference is not material and the foundation could save $1,500 per year (17-18 cost) by ceasing to obtain the FAS 106 report. Jill was asked what would trigger a larger change between the two liabilities and Jill agreed follow up and report on back to the Audit Committee on that.

The following options were discussed to bring forward as an action item at the October 2019 meeting:

1. Discontinue obtaining a FAS 106 actuarial on an annual basis.
2. Obtain GASB 74/75 full actuarial valuations every other year and obtain a roll forward report every other year.
3. Obtain FAS 106 full actuarial valuations only when something changes with personnel
4. Obtain FAS 106 full actuarial valuations every three years
Audit Committee Meeting  
Minutes of May 20, 2019  
Page 4 of 5

August 25, 2011, the Executive Committee approved setting aside the annual required contribution in an effort to work towards fully funding the liability. Beginning with the GASB actuarial in 2018, the annual required contribution is not part of the report. The Audit Committee was informed that for June 30, 2018, the Cabrillo College Foundation set aside the service and interest cost of $7,863. The Audit Committee was informed that Finance Committee will review and decide the method used to calculate the annual amount to set aside at their next meeting on August 15, 2019.

Jill reported that Vavrinek, Trine, Day & Co., LLP will join Eide Bailly LLP, one of the top 25 CPA and business advisory firms in the nation on July 22.

Auditor Selection:  

Adjournment: 11:20 a.m.

Respectfully submitted,

[Signature]

Nancy Machado  
Accounting & Human Resources Manager

Upcoming Meetings:

October 11, 2019  
Sesnon House Room 1824  
10:00 a.m. to 11:00 a.m.

TBD  
May/June 2020  
Sesnon House Room 1824  
10:00 a.m. to 11:00 a.m.
Audit Committee Meeting
Minutes of May 20, 2019
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Audit Committee Attendance Chart

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<tr>
<td>Pegi Ard</td>
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<td>Carrie Birkhofer</td>
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P=Present, A.Absent, N/A=Not Applicable
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Follow-up items:

1. Jill Stenton or Terri Montgomery to research and explain to Audit Committee what would trigger a large change in the difference between the FAS 106 & GASB 74/75 liability amounts.
Executive Director Report: October 2019

Administration

• 2018-19 Final Reporting
  - $5,088,791 in outright gifts
  - $2,708,142 in endowed permanent support
  - $1,405,000 in unbooked legacy gifts
  - $6,493,791 total raised

• Professional Development: National Conference for Community College Foundations and California Community College Foundations Roundtable

• Cabrillo Bond: March 2020

Fundraising

• President’s Circle: $73,558 raised; 46 committee members getting to work

• Women’s Educational Success: $149,256 raised, bringing endowment to $2M; $80,000 to award this year

• Scholarships: fundraising for existing and new scholarships is ongoing (establishing seven new scholarships)

• Legacy Giving: working with five new donors

Upcoming Events

• Scholarship Donor Reception: October 24, 4:00 – 6:00 pm, Sesnon House

• Cabrillo College 60th Anniversary Event: November 3, 3:00 – 5:00 pm, Watsonville Center

• Board of Directors Meeting: November 12, 12:00 – 2:00 pm, Sesnon House

• President’s Circle New Prospects Reception, December 4, 5:30 – 7:30 pm, Shadowbrook

• President’s Holiday Party: December 6, 5:30 pm, Sesnon House
MEMORANDUM

Date: October 4, 2019
To: Audit Committee
From: Eileen Hill
Subject: 2018-19 Fundraising Targets

The Board approved a $3M fundraising goal in outright and unbooked planned gifts with a stretch goal of $3.2M. The following is an outline of the specific fundraising targets for the year to reach $3M. The $3M goal includes a target of $760,000 in endowed gifts and $500,000 in unbooked planned gifts. Focusing some effort on legacy giving will help ensure the long-term health and sustainability of the Foundation.

Total fundraising for 2018-19 was $6,493,791 raised in outright and unbooked planned gifts from 2,509 donors. We exceeded the $760,000 target for endowed gifts with $2,708,142 raised for the endowment.

<table>
<thead>
<tr>
<th>Amount Raised 7/1/18 - 6/30/19</th>
<th>2018-19 Target</th>
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<tr>
<td><strong>ANNUAL APPEALS</strong></td>
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<tr>
<td>$387,697</td>
<td>$380,000</td>
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<td>$73,886</td>
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<td>$197,509</td>
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<td>$1,806,123</td>
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<td>$503,095</td>
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<td>$1,006,704</td>
<td>$250,000</td>
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<td><strong>SPECIAL INITIATIVES</strong></td>
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<td>$44,025</td>
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<td>$759,943</td>
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<td>$135,000</td>
<td>$150,000</td>
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<td>$1,405,000</td>
<td>$500,000</td>
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<tr>
<td><strong>$6,493,791</strong></td>
<td><strong>$3,000,000</strong></td>
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DATE: October 4, 2019
TO: Audit Committee
FROM: Eileen Hill

July 1, 2018 to June 30, 2019
2018-19 Outright Gifts Fundraising Total $ 5,088,791
2018-19 Unbooked Revocable Planned Gifts $ 1,405,000
Total $6,493,791

2018-19 Fundraising Goal for Outright and Unbooked Revocable Planned Gifts $ 3,000,000

Recorded Gifts 07-01-18 to 06-30-19:

 Anonymous (Cabrillo Advancement Program) $ 1,750,000
 The Richard & Mary Solari Charitable Trust (Scholarship & President’s Circle) $ 355,000
 Anonymous (Scholarship) $ 315,000
 SD Trombetta Foundation (ECE, Peace Library & Scholarships) $ 200,000
 Anonymous (Guardian Scholars) $ 200,000
 Anne Mitchell Estate (Scholarship) $ 170,506
 Lee Garner (Scholarship) $ 150,000
 Anonymous (Stadium Turf & Emergency Mini-grants) $ 134,000
 The Grove Foundation (Scholarship) $ 110,000
 Brian & Patti Herman (WES & Scholarship) $ 67,250
 Joan Griffiths (Griffiths ACE, Griffiths Nursing, Stroke Center, WES, Griffiths S4C, & President’s Circle) $ 59,729
 Ow Family Properties (Scholarship) $ 57,500
 Kathryn Shephard (Scholarship) $ 43,300
 The Peggy & Jack Baskin Foundation (WES & Girls in Engineering) $ 35,000
 John Fry (Football) $ 30,000
 Community Initiatives (ACE) $ 26,696
 ADEAGies Foundation (Dental Hygiene) $ 25,000
 William & Lupe Burgstrom (Cabrillo Advancement Program) $ 25,000
 Community Foundation Santa Cruz County (Makerspace Internships) $ 20,000
 Vertical Raise Trust Account (Baseball) $ 19,640
 Peter Weber (Scholarship) $ 17,500
 Kerr Corporation (Dental Hygiene) $ 17,300
 Rachel Wedeen (President’s Circle, WES & Scholarship) $ 16,900
 John & Betty Ann Altman (Scholarship) $ 16,704
 Patty Quillin & Reed Hastings (President’s Circle & WES) $ 16,000
 Rick & Ruth Moe (President’s Circle, Student Research & WES) $ 15,600
 Claire Witherspoon and Jim Engelman (Scholarship & Cabrillo Stage) $ 15,354
 Esther & Jerry Levandoski (President’s Circle & CAP) $ 14,214
 Bill & Joan Rentz (Scholarship, Music & Chorus) $ 12,250
 Foundation for California Community Colleges (Scholarship) $ 12,100
 Kevin & Barbara Monahan (Scholarship) $ 12,079
 Rae Victor (Scholarship) $ 12,000
 Gifts under $12,000 (2,478 of 2,510 total donors) $ 1,112,169

Total Secured Gifts $ 5,088,791
Total Unbooked Revocable Planned Gifts $ 1,405,000

TOTAL $ 6,493,791

Notes:
1. For 2018-19, the Cabrillo College Foundation has been notified of two planned gifts and an increase to the amount of another.
2. The cumulative unbooked revocable planned gifts total is $25,250,000.
Cabrillo College Foundation
Disbursement to Cabrillo College and Students
July 1, 2018 to June 30, 2019
$1,973,596

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Amount</th>
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<tr>
<td>Faculty/Department Support</td>
<td>35%</td>
<td>$680,610</td>
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<tr>
<td>(Faculty Grants, Allied Health, Athletics)</td>
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<tr>
<td>Student Support Services</td>
<td>15%</td>
<td>$303,040</td>
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<tr>
<td>(Disabled Student services, Internships, CAP, Tutoring)</td>
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<tr>
<td>Scholarships</td>
<td>50%</td>
<td>$989,946</td>
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<tr>
<td>(Direct support to students)</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>35%</strong></td>
<td><strong>$1,973,596</strong></td>
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MEMORANDUM

Date: October 4, 2019
To: Audit Committee
From: Eileen Hill
Subject: 2019-20 Fundraising Targets

The Board approved a $3M fundraising goal in outright and unbooked planned gifts. The following is an outline of the specific fundraising targets for the year to reach $3M. The $3M goal includes a target of $760,000 in endowed gifts and $500,000 in unbooked planned gifts. Focusing some effort on legacy giving will help ensure the long-term health and sustainability of the Foundation.

<table>
<thead>
<tr>
<th>Amount Raised 7/1/19 - 9/30/19</th>
<th>2019-20 Target</th>
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<tr>
<td>$60,521</td>
<td>$385,000   President’s Circle</td>
</tr>
<tr>
<td>$0</td>
<td>$50,000    Annual Fund</td>
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<tr>
<td>$115,549</td>
<td>$175,000   Women’s Educational Success</td>
</tr>
<tr>
<td>$1,030</td>
<td>$150,000   Cabrillo Advancement Program (Endowed)</td>
</tr>
<tr>
<td>$26,145</td>
<td>$500,000   Scholarships (Endowed)</td>
</tr>
<tr>
<td>$21,506</td>
<td>$250,000   Scholarships (Nonendowed)</td>
</tr>
<tr>
<td>$85,545</td>
<td>$490,000   Faculty/Department Support (Faculty Grants, Allied Health, Athletics, VAPA, etc.)</td>
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<td>$2,000</td>
<td>$250,000   Student Support Services (Disabled student services, internships, tutoring, etc.)</td>
</tr>
<tr>
<td>$25,000</td>
<td>$250,000   Donor directed interests</td>
</tr>
<tr>
<td>$0</td>
<td>$500,000   Unbooked Planned Gifts</td>
</tr>
<tr>
<td>$337,296</td>
<td>$3,000,000 TOTAL</td>
</tr>
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</table>
### Cabrillo College Foundation

**DATE:** October 4, 2019

**TO:** Audit Committee

**FROM:** Eileen Hill

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<table>
<thead>
<tr>
<th>July 1, 2019 to September 30, 2019</th>
<th>$ 337,296</th>
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<tbody>
<tr>
<td>2019-20 Outright Gifts Fundraising Total</td>
<td>$ 337,296</td>
</tr>
<tr>
<td>2019-20 Unbooked Revocable Planned Gifts</td>
<td>$ 0</td>
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<tr>
<td><strong>Total</strong></td>
<td>$ 337,296</td>
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2019-20 Fundraising Goal for Outright and Unbooked Revocable Planned Gifts $ 3,000,000

Recorded Gifts 07-01-19 to 09-30-19:

- Nancy Gregg Estate (President’s Circle) $ 34,170
- Davidson Family Foundation (Engineering) $ 25,000
- Edward Newman & Leslie Christie (President’s Circle) $ 15,000
- Topsy Smalley (WES, Library, Stroke Center, Tutorials, Symphonic Chorus, Theatre & Engineering) $ 12,250
- The Peggy & Jack Baskin Foundation (WES) $ 10,000
- Brian & Patti Herman (WES) $ 10,000
- Thomas Sourisseau (President’s Circle) $ 10,000
- Rachael Spencer & Kevin Rooney (President’s Circle, WES & Scholarship) $ 10,000
- Jill & Dick Wilson (Scholarship) $ 10,000
- Main Beach Volleyball Club (Athletics) $ 6,340
- Harry & Mary Blanchard (WES, President’ Circle & Cabrillo Stage) $ 6,000
- Janet Heien (WES) $ 6,000
- Pegi & Tom Ard (WES, President’s Circle, Stage & Scholarship) $ 5,500
- Foundation for California Community Colleges (Scholarship) $ 5,400
- Dan Rothwell & Marcy Wieland (Scholarship) $ 5,100
- East Bay Community Foundation (Scholarship) $ 5,000
- Cynthia FitzGerald (WES, President’s Circle & Scholarship) $ 3,065
- Carolyn Parham (WES) $ 3,000
- Penelope Rich & William Hill (WES) $ 3,000
- Ian Wendt (Scholarship) $ 3,000
- W. Todd & Corinne Wipke (President’s Circle & WES) $ 2,750
- Mary Murphy (WES) $ 2,600
- Phillip & Robin Adkins (President’s Circle) $ 2,500
- Mark Cowell (Engineering) $ 2,500
- Roberta Hunter & Donna Meyers (WES) $ 2,500
- William & Erica Ow (President’s Circle) $ 2,500
- Marilyn Schultz (Scholarship) $ 2,500
- TMA Aptos Fund (WES) $ 2,500
- Martha Ainsworth (Scholarship) $ 2,000
- Robert Edwards & Julie Olsen Edwards (Scholarship) $ 2,000
- Harold & Dorothy Hyde (President’s Circle) $ 2,000
- Big Sur International Marathon (Dental Hygiene) $ 1,900
- Eileen & Dave Hill (President’s Circle, WES & CAP) $ 1,860
- Michael & Toby Alexander (President’s Circle, WES) $ 1,603
- Gifts under $1,603 (604 of 638 total donors) $ 117,758

**Total Secured Gifts** $ 337,296

**Total Unbooked Revocable Planned Gifts** $ 0

**TOTAL** $ 337,296

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**Notes:**

1. The cumulative unbooked revocable planned gifts total is $25,250,000.

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6500 SOQUEL DRIVE • APTOS, CA 95003 • 831.479.6338

FOUNDATION@CABRILLO.EDU • FOUNDATION.CABRILLO.EDU
To the Audit Committee and Board of Directors
Cabrillo College Foundation

We have audited the financial statements of Cabrillo College Foundation for the year ended June 30, 2019, and have issued our report thereon dated [date]. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 18, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings
Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cabrillo College Foundation are described in Note 1 to the financial statements. Other than the updated reporting standards, no new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was management’s allocation of expenses to functional classifications and the estimates of net pension obligations based on actuarial information. We evaluated the key factors and assumptions used to develop the allocation formulas in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Summarized below are corrected and uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Contributions receivable – estimated time value of money discount
$23,115

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated 2019.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Audit Committee, Board of Directors, and management of Cabrillo College Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

[Signature]

2015
San Ramon California
MEMORANDUM

DATE: October 4, 2019

TO: Audit Committee

FROM: Lee Duffus

SUBJECT: Retiree Medical Benefits: FAS 106 and GASB 74/75 Actuarial

Background
The Cabrillo College Foundation has a liability for Other Post-employment Benefits (OPEB) for retiree medical benefits. Currently there is one employee eligible for this benefit and one retiree using the benefit. This benefit is not offered to new hires or other foundation employees.

As a non-profit, the Cabrillo College Foundation would normally receive a FAS 106 actuarial to record the liability. As an Auxiliary Organization of Cabrillo College, it is mandatory to follow GASB and therefore we obtain the GASB 74/75 report and record the liability according to the report.

Jill Stenton, of Eide Bailly explained that the FAS 106 liability would be $121K and the GASB 74/75 liability would be $117K. The $4K difference is not material and the foundation could save $1,000 or more per year (17-18 cost) by ceasing to obtain the FAS 106 report. Jill was asked what would trigger a larger change between the two liabilities and Jill agreed follow up and report on back to the Audit Committee on that.

Proposed motions: FAS 106 Actuarial
1. Discontinue obtaining a FAS 106 actuarial on an annual basis.
2. Obtain FAS 106 full actuarial valuations only when something changes with employees eligible for retiree medical benefits
3. Obtain FAS 106 full actuarial valuations every three years

Proposed motions: GASB 74/75 Actuarial
1. Obtain GASB 74/75 full actuarial valuations every other year and obtain a roll forward report every other year.
2. Obtain full GASB 74/75 full actuarial valuation every year.
MEMORANDUM

DATE:          October 4, 2019

TO:            Audit Committee

FROM:          Nancy Machado

SUBJECT:       2018-19 Cabrillo College Foundation Audit Schedule

The following is a projection for the 18-19 Cabrillo College Foundation audit process:

May 20, 2019 Auditor meets at Cabrillo College Foundation with Audit Committee to review how the audit will be conducted. Representative(s) of Audit firm will attend meeting.

Week of August 19, 2019 Cabrillo College Foundation on-site audit.

September 9, 2019 Foundation receives proposed audit adjustments for review by Nancy Machado, Lynn Brisson, CPA and Pergi Ard, Foundation CFO.

September 16, 2019 Foundation receives audit draft for review by Nancy Machado, Eileen Hill, Lynn Brisson, CPA and Pegi Ard, Foundation CFO.

October 11, 2019 Audit Committee meets to review/accept audit draft. Representative(s) of Audit firm will attend meeting.

October 18, 2019 Executive Committee receives e-mail audit draft for review prior to Executive Committee meeting.

October 24, 2019 Executive Committee receives recommended audit draft for review and acceptance.

October 25, 2019 Cabrillo College Foundation staff e-mails Audit Committee members a red-line draft Audit so they are made aware of any changes made to the Audit Report after the Executive Committee meeting.

November 12, 2019 Cabrillo College Foundation Board of Directors meet to accept audit. Representative(s) of Audit firm will attend meeting.
2019-20 Cabrillo College Foundation Committee Meetings and Events
Updated 9/30/2019

BOARD OF DIRECTORS
Tuesdays, 12:00-2:00 pm
Sesnon House Room 1804
New Member Orientation
September 10, 2019
10:00-11:00 am
(Sesnon House Room 1824)

Walking Tour for Full Board:
September 10, 2019
11:00-11:45 am

Meetings:
September 10, 2019
November 12, 2019
February 11, 2020
May 12, 2020
(Watsonville Center)

AUDIT
10:00-11:00 am
Sesnon House Room 1824
October 11, 2019
May or June 2020 TBD

EXECUTIVE
Thursdays, 9:00-10:00 am
Sesnon House Room 1824
August 29, 2019 (9:00 – 10:30)
October 24, 2019
January 23, 2020
April 16, 2020

FINANCE AND INVESTMENT
Thursdays, 9:00-10:00 am
Sesnon House Room 1824
August 15, 2019
October 10, 2019
December 5, 2019
9:00 – 10:30
March 26, 2020 (9:00 – 10:30)

CABRILLO ADVANCEMENT PROGRAM (CAP)
Sesnon House Room 1824

FACULTY GRANTS
Sesnon House Room 1824

EXCLUSIVE EVENTS
FOR PRESIDENT’S CIRCLE MEMBERS
Happy Hour with CC President
$5,000 + Members
March 2020 TBD
12:00 – 1:30 pm
Sesnon House

Sandy Lydon Historical Tour
$1,000 + Members
March/April 2020 TBD

Winemakers Dinner
Sesnon House
$2,500+ Members
May 2020 TBD
6:00 pm

Party
$1,500+ Members
May 2020 TBD
5:30 pm

Feasting with Faculty
Sesnon House
$10,000+ Members
TBD
6:00 pm

Cabrillo Stage Play
and PC Reception
$1,000+ Members
Summer 2020 TBD
5:30 pm
Sesnon House

NOMINATING
Sesnon House Room 1824

PRESIDENT’S CIRCLE
Sesnon House Room 1804
September 18, 2019
5:30 – 7:00 pm
(kick-off party)

9:00 am – 12:00 pm
(signing party)

5:30 pm – 7:00 pm
(wrap-up party)

WOMEN’S EDUCATIONAL SUCCESS (WES)
Sesnon House Room 1824
May 2020 TBD
11:00 am – 12:00 pm

September 2020 TBD
11:30 am – 1:30 pm
(Luncheon)
Horticulture Center

SCHOLARSHIP
Sesnon House Room 1824
August 13, 2019
10:00 – 11:00 am

EVENT DATES
Scholarship Donor Reception
October 24, 2019
4:00 – 6:00 pm
Sesnon House

Cabrillo 60th Anniversary Celebration
November 3, 2019
3:00 – 5:00 pm
Watsonville Center

Heritage Club Luncheon
November 20, 2019
12:00 - 1:30 pm
Sesnon House

President’s Circle New Prospects Reception
December 4, 2019
5:30 – 7:30 pm
Shadowbrook

President’s Holiday Party
December 6, 2019
5:30 pm
Sesnon House

Faculty and Staff Grants Reception
January 2020 TBD
4:00-6:00 pm
Sesnon House

Cabrillo Advancement Program Ceremony
March 24, 2020
6:00 – 8:00 pm
Crocker Theater

High Achiever Scholarship Ceremony
April 2020 TBD
4:00 – 6:00 pm
Sesnon House

American Dream Scholarship Ceremony
May/June 2020 TBD
4:00 – 5:00 pm
Crocker Theater
BOARD OF DIRECTORS
Rob Allen
Pegi Ard, CFO
Ed Banks, College Trustee
Michele Bassi
Claire Biancalana, Vice President
Owen Brown, President
Linda Burroughs
Ceil Cirillo
Linda Downing
Sue Gochis, CC VP Student Services
David Heald
Matt Huffaker
Kelly Nesheim
Amy Newell
Ed Newman
Bradley Olin, VP Admin. Services, Asst. Treasurer
William Ow, Past President
June Padilla Ponce
Patty Quillin
Maria Esther Rodriguez
Gun Ruder, Secretary
Karen Semingson
Rachael Spencer, College Trustee
Kate Terrell
Rachel Wedeen
Kathie Welch, VP of Instruction
Matt Wetstein, Asst. Secretary, CC President
Kristin Wilson, Faculty Representative
Donna Ziel, College Trustee

FINANCE & INVESTMENTS
CFO: Pegi Ard
Owen Brown
Marshall Delk
David Heald
Michael W. Machado
Kelly Nesheim
Gun Ruder
Steve Snodgrass
Staff: Eileen Hill
Nancy Machado

CABRILLO ADVANCEMENT PROGRAM (CAP)
Chair: Carrie Birkhofer
Rob Allen
Enrique Buelna
Sesario Escoto
Leola Lapides
Rachel Mayo
June Padilla Ponce
Maria Esther Rodriguez
Eva Acosta
College Advisors:
Liz Dominguez
Michelle Donohue
Staff: Eileen Hill, Caitlin Bonura

FACULTY GRANTS
Cherie Barkey
Owen Brown
Ted Burke
Ceil Cirillo
Anne Freiwalld
Francisco Iglesias
Tobin Keller
Amy Newell
Gun Ruder
David Schwartz
Staff: Eileen Hill, Caitlin Bonura

NOMINATING
Chair: Leola Lapides
Jess Brown
Owen Brown
Linda Burroughs
William Ow
Stephen Snodgrass
Lead Staff: Eileen Hill

PRESIDENT’S CIRCLE
Co-chairs: Michele Bassi
Duf Fischer
Paula Fischer
Pegi Ard
Jim Baker
Ed Banks
Pat Barton
Claire Biancalana
Mary Blanchard
Jess Brown
Owen Brown
Ted Burke
Linda Burroughs
Andrew Calciano
Ceil Cirillo
Karen Cogswell
Wally Dale
Linda Downing
Lee Duffus
John Eiskamp
Kristin Fabos
Peggy Flynn
Joel-Ann Foote
Mahlon Foote
DeAnne Hart
Rich Hart
Jackie Heald
Hal Hyde
Kent Imai
Julie Lambert
Vance Landis-Carey
Marilyn Manning Lonergan
Richard Lonergan
Keith McKenzie
Fred McPherson
Bob Millsagle
Kelly Nesheim
Ed Newman
William Ow
June Padilla Ponce
Bob Shepherd
Helen Shepherd
Ginny Solari Mazy
Greg Solow
Tangie Solow
Rachael Spencer
Rachel Wedeen
Matt Wetstein
Theo Wiersma
Bjorg Yonts
Staff: Caitlin Bonura

SCHOLARSHIP
Chair: Rachael Spencer
Claire Biancalana
Jess Brown
Ceil Cirillo
Virginia Coe
Linda Downing
Jan Furman
Rich Hart
Adele Miller
Corinne Miller
Julie Thiebaut
Rachel Wedeen
Jill Wilson
Staff: Caitlin Bonura

WOMEN’S EDUCATIONAL SUCCESS (WES)
Co-chairs: Rhonda Bonett
Lindy Bixby
Peggy Downes Baskin, cofounder
Sue Broadston
Lynette Cleland
Cathy Conway

EXECUTIVE
Pegi Ard, CFO
Claire Biancalana, Vice President
Owen Brown, President
Linda Burroughs
David Heald
William Ow, Past President
Gun Ruder
Rachael Spencer
Matt Wetstein, CC President
Staff: Eileen Hill
Nancy Machado

AUDIT
Chair: Lee Duffus
Carrie Birkhofer
David Heald
Barbara Scherer
Norm Schwartz
Karen Semingson
Staff: Eileen Hill
Nancy Machado

FRESLY COOPER
Mary Culley
Corrine Flanagan
Pam Goodman
Julie Hanks
Kathleen Jones
Janet Krassow
Leola Lapides
Angie McClellan
Sue Nerton
Amy Newell
Mara Paladri
Carolyn Parham
Tonee Picard
Patty Quillin
Cathy Richards-Bradley
Karen Semingson
Rachael Spencer, cofounder
Bunny Tavares
Kate Terrell
Karri White
Kristin Wilson
Donna Ziel

WES Advisors:
Marcy Alarcos
Leti Amexcu
Jenna Becker
Rosemary Brogan
Sue Bruckner
Lauren Cole
Olga Diaz
Mario Garcia
Ofelia Garcia
Irma Gil
Holly Goodman
Gabby Huezo
Jay Jackson
Teresia Kidwiler
Elissa Kurk
Michelle Morton
Shirley Flores-Muñoz
Diego Navarro
Christina Ortega
Beth Regardz
Ana Rodriguez
Barbara Schultz-Perez
Nancy Spangler
Tasha Sturm
Laura Thurman
Windy Valdez
Marilyn Zanetti
Staff: Caitlin Bonura

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