

# Cabrillo College FOUNDATION

## MEMORANDUM

### OFFICERS

**PRESIDENT**  
Owen Brown

**VICE PRESIDENT**  
Claire Biancalana

**SECRETARY**  
Gun Ruder

**CHIEF FINANCIAL  
OFFICER**  
Pegi Ard

**PAST PRESIDENT**  
William Ow

**COMMUNITY  
REPRESENTATIVES**  
Rob Allen  
Michele Bassi  
Linda Burroughs  
Ceil Cirillo  
Linda Downing  
David Heald  
Matt Huffaker  
Kelly Nesheim  
Amy Newell  
Ed Newman  
June Padilla Ponce  
Patty Quillin  
Maria Esther Rodriguez  
Karen Semingson  
Kate Terrell  
Rachel Wedeen

**COLLEGE TRUSTEE  
REPRESENTATIVES**  
Ed Banks  
Rachael Spencer  
Donna Ziel

**COLLEGE STAFF  
REPRESENTATIVES**  
Matthew E. Wetstein  
President  
Sue Gochis  
VP Student Services  
Kathleen Welch  
VP Instruction  
Kristin Wilson  
Faculty Representative

**EXECUTIVE DIRECTOR**  
Eileen Hill

**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
<b>A. Regular Open Session</b>		
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.**

<b>Item</b>	<b>Responsibility</b>	<b>Page</b>
<b>A. Regular Open Session (cont.)</b>		
3. May 20, 2019 meeting minutes	L. Duffus	4 - 8
<b>B. Public Comment</b>		
1. Public Comment Opportunity	L. Duffus	
<b>C. Reports</b>		
1. Cabrillo College President Report	E. Hill	Provided at Meeting
2. Executive Director Report	E. Hill	9
2.1 2018-19 Fundraising Targets		10
2.2 2018-19 Fundraising Totals and Goals		11
2.3 2018-19 Contributions to Cabrillo College		12 - 13
2.4 2019-20 Fundraising Targets		14
2.5 2019-20 Fundraising Totals and Goals		15
3. Funding Liability for Retiree Medical Benefits		Provided at Meeting
<b>D. Action Items</b>		
1. 2018-19 Audit Draft	T. Montgomery	
1.1 Board communication letter		16 - 17
1.2 2018-19 Audit Draft		Separate Attachment
2. Retiree Medical Benefits Actuarials	L. Duffus	18
2.1 FAS 106 Actuarial Frequency		
2.2 GASB 74/75 Actuarial Frequency		
<b>E. Informational Items</b>		
1. 2018-19 Audit Timeline	N. Machado	19
2. Committee Calendar & Roster	L. Duffus	20 - 21
<b>F. Adjournment</b>		
1. Adjournment	L. Duffus	

**Next Meeting:**  
**June 2020**  
**TBD**  
**10:00 a.m. to 11:00 a.m.**  
**Sesnon House, Room 1824**

**Audit Committee Attendance Chart**

<b>Audit Committee Members</b>	<b>10/19/17</b>	<b>6/1/18</b>	<b>10/1/18</b>	<b>5/20/19</b>
Carrie Birkhofer	P	P	P	P
Lee Duffus	P	P	P	P
David Heald	P	P	P	P
Barbara Scherer	A	P	P	P
Norm Schwartz	P	P	P	A
Karen Semingson	P	P	P	P

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.
--------------	---

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

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.

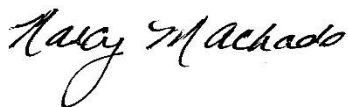
Jill reported that Vavrinek, Trine, Day & Co., LLP will join Eide Bailly LLP, one of the top 25 CPA and business advisory firms in the nation on July 22.

Auditor Selection:

The Audit Committee members discussed whether or not to go out for a RFP for the 2019-20 Audit. Terri Montgomery provided a proposal for a three year period from 2019-20 through 21-22. The Audit Committee members unanimously agreed to continue with Vavrinek, Trine, Day & Co., LLP for a three year period from 2019-20 through 21-22. **Motion: MSC: D. Heald/C. Birkhofer to approve retaining Vavrinek, Trine, Day & Co., LLP for a three year period beginning 2019-20 and ending 2021-22.**

Adjournment: 11:20 a.m.

Respectfully submitted,



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 Attendance Chart**

<b>Audit Committee Members</b>	<b>10/19/17</b>	<b>6/1/18</b>	<b>10/1/18</b>	<b>5/20/19</b>
Pegi Ard	P	A	P	P
Carrie Birkhofer	P	P	P	P
Lee Duffus	P	P	P	P
David Heald	P	P	P	P
Barbara Scherer	A	P	P	P
Norman Schwartz	P	P	P	A
Karen Semingson	P	P	P	P

P=Present, A=Absent, N/A=Not Applicable

Attendance is based on the Audit Committee meeting minutes. Please call the Cabrillo College Foundation office if you believe this chart is in error.

**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 60<sup>th</sup> 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



# Cabrillo College FOUNDATION

## 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.

Amount Raised 7/1/18 - 6/30/19	2018-19 Target	
<b>ANNUAL APPEALS</b>		
\$387,697	\$380,000	President's Circle
\$73,886	\$50,000	Annual Fund
\$197,509	\$170,000	Women's Educational Success
\$1,806,123	\$100,000	Cabrillo Advancement Program (Endowed)
\$503,095	\$500,000	Scholarships (Endowed)
\$1,006,704	\$250,000	Scholarships (Nonendowed)
<b>SPECIAL INITIATIVES</b>		
\$42,540	\$50,000	Cabrillo Stage
\$44,025	\$50,000	Stroke Center
\$130,269	\$400,000	Stadium Turf
\$2,000	\$10,000	Cabrillo Youth Chorus
\$759,943	\$390,000	Additional support for campus departments (Athletics, Dental Hygiene, Children's Center, Engineering, etc.)
\$135,000	\$150,000	Donor directed interests (Math faculty professional development, Makerspace Internships, Student Research, SBDC, Baskin Girls in Engineering)
\$1,405,000	\$500,000	Unbooked Planned Gifts
<b>\$6,493,791</b>	<b>\$3,000,000</b>	<b>TOTAL</b>

### OFFICERS

#### PRESIDENT

Owen Brown

#### VICE PRESIDENT

Claire Biancalana

#### SECRETARY

Gun Ruder

#### CHIEF FINANCIAL OFFICER

Pegi Ard

#### PAST PRESIDENT

William Ow

#### COMMUNITY REPRESENTATIVES

Rob Allen

Michele Bassi

Linda Burroughs

Ceil Cirillo

Linda Downing

David Heald

Matt Huffaker

Kelly Nesheim

Amy Newell

Ed Newman

June Padilla Ponce

Patty Quillin

Maria Esther Rodriguez

Karen Semingson

Kate Terrell

Rachel Wedeen

#### COLLEGE TRUSTEE REPRESENTATIVES

Ed Banks

Rachael Spencer

Donna Ziel

#### COLLEGE STAFF REPRESENTATIVES

Matthew E. Wetstein

President

Sue Gochis

VP Student Services

Kathleen Welch

VP Instruction

Kristin Wilson

Faculty Representative

#### EXECUTIVE DIRECTOR

Eileen Hill

# Cabrillo College FOUNDATION

DATE: October 4, 2019

## OFFICERS

TO: Audit Committee

## PRESIDENT

Owen Brown

FROM: Eileen Hill

## VICE PRESIDENT

Claire Biancalana

## SECRETARY

Gun Ruder

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**

## CHIEF FINANCIAL OFFICER

Pegi Ard

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

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

## PAST PRESIDENT

William Ow

Anonymous (Cabrillo Advancement Program) \$ 1,750,000

The Richard & Mary Solari Charitable Trust (Scholarship & President's Circle) \$ 355,000

## COMMUNITY REPRESENTATIVES

Rob Allen

Anonymous (Scholarship) \$ 315,000

Michele Bassi

SD Trombetta Foundation (ECE, Peace Library & Scholarships) \$ 200,000

Linda Burroughs

Anonymous (Guardian Scholars) \$ 200,000

Ceil Cirillo

Anne Mitchell Estate (Scholarship) \$ 170,506

Linda Downing

Lee Garner (Scholarship) \$ 150,000

David Heald

Anonymous (Stadium Turf & Emergency Mini-grants) \$ 134,000

Matt Huffaker

The Grove Foundation (Scholarship) \$ 110,000

Kelly Nesheim

Brian & Patti Herman (WES & Scholarship) \$ 67,250

Amy Newell

Joan Griffiths (Griffiths ACE, Griffiths Nursing, Stroke Center, WES, Griffiths S4C, & President's Circle) \$ 59,729

Ed Newman

June Padilla Ponce

Ow Family Properties (Scholarship) \$ 57,500

Patty Quillin

Kathryn Shephard (Scholarship) \$ 43,300

Maria Esther Rodriguez

The Peggy & Jack Baskin Foundation (WES & Girls in Engineering) \$ 35,000

Karen Semingson

John Fry (Football) \$ 30,000

Kate Terrell

Community Initiatives (ACE) \$ 26,696

Rachel Wedeen

ADEAGies Foundation (Dental Hygiene) \$ 25,000

## COLLEGE TRUSTEE REPRESENTATIVES

Ed Banks

William & Lupe Burgstrom (Cabrillo Advancement Program) \$ 25,000

Rachael Spencer

Community Foundation Santa Cruz County (Makerspace Internships) \$ 20,000

Donna Ziel

Vertical Raise Trust Account (Baseball) \$ 19,640

Peter Weber (Scholarship) \$ 17,500

Kerr Corporation (Dental Hygiene) \$ 17,300

## COLLEGE STAFF REPRESENTATIVES

Matthew E. Wetstein

President

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) \$ 1,117,169

Total Secured Gifts **\$ 5,088,791**

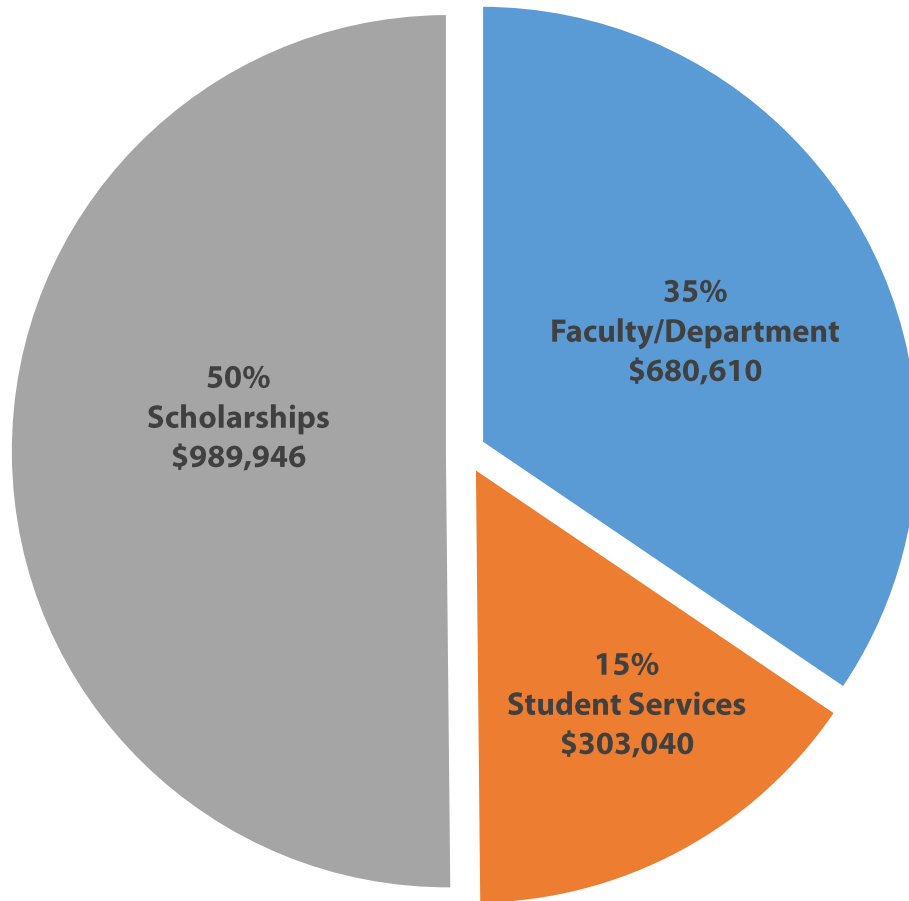
Total Unbooked Revocable Planned Gifts \$ 1,405,000

**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.

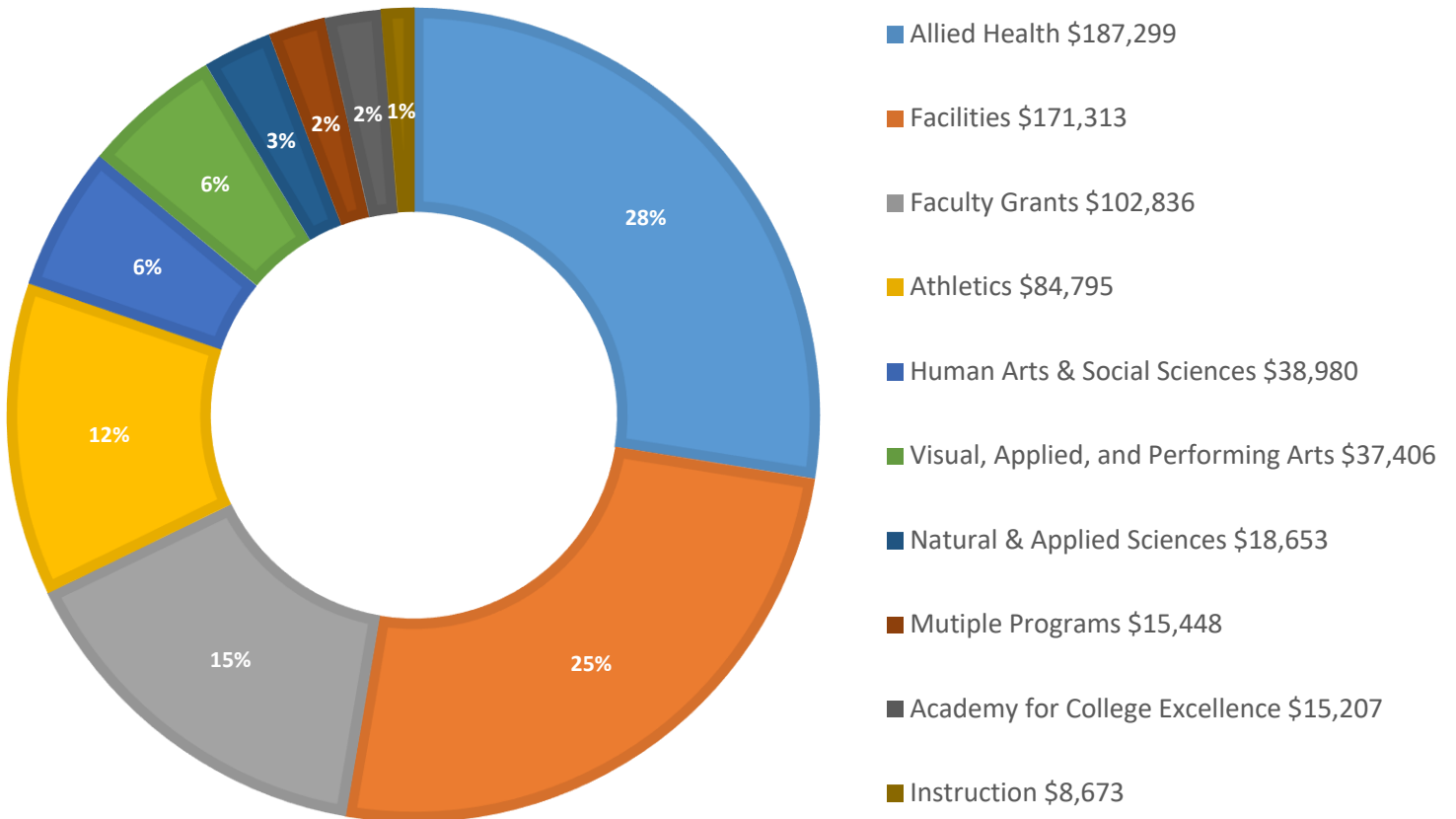
6500 SOQUEL DRIVE • APTOS, CA 95003 • 831.479.6338  
FOUNDATION@CABRILLO.EDU • FOUNDATION.CABRILLO.EDU

**Cabrillo College Foundation  
Disbursement to Cabrillo College and Students  
July 1, 2018 to June 30, 2019  
\$1,973,596**

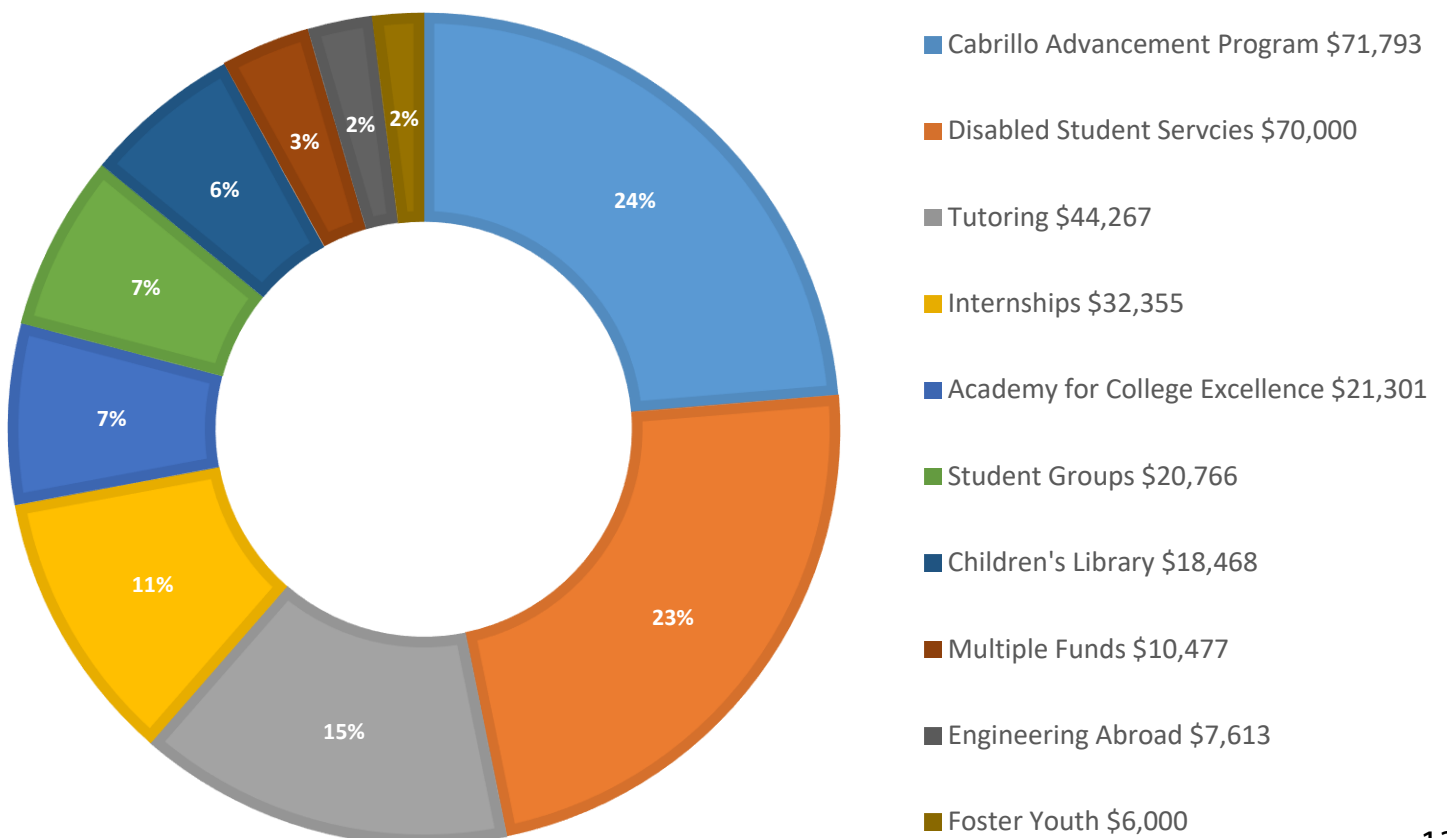


<b>Faculty/Department Support</b> (Faculty Grants, Allied Health, Athletics)	35%	\$680,610
<b>Student Support Services</b> (Disabled Student services, Internships, CAP, Tutoring)	15%	\$303,040
<b>Scholarships</b> (Direct support to students)	50%	\$989,946
	<b>TOTAL</b>	<b>\$1,973,596</b>

## 2018-19 FACULTY AND DEPARTMENT SUPPORT \$680,610



## 2018-19 STUDENT SUPPORT SERVICES \$303,040



# Cabrillo College FOUNDATION

## OFFICERS

### PRESIDENT

Owen Brown

### VICE PRESIDENT

Claire Biancalana

### SECRETARY

Gun Ruder

### CHIEF FINANCIAL OFFICER

Pegi Ard

### PAST PRESIDENT

William Ow

### COMMUNITY REPRESENTATIVES

Rob Allen

Michele Bassi

Linda Burroughs

Ceil Cirillo

Linda Downing

David Heald

Matt Huffaker

Kelly Nesheim

Amy Newell

Ed Newman

June Padilla Ponce

Patty Quillin

Maria Esther Rodriguez

Karen Semingson

Kate Terrell

Rachel Wedeen

### COLLEGE TRUSTEE REPRESENTATIVES

Ed Banks

Rachael Spencer

Donna Ziel

### COLLEGE STAFF REPRESENTATIVES

Matthew E. Wetstein

President

Sue Gochis

VP Student Services

Kathleen Welch

VP Instruction

Kristin Wilson

Faculty Representative

### EXECUTIVE DIRECTOR

Eileen Hill

## 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.

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



# Cabrillo College FOUNDATION

DATE: October 4, 2019

TO: Audit Committee

FROM: Eileen Hill

## OFFICERS

### PRESIDENT

Owen Brown

### VICE PRESIDENT

Claire Biancalana

### SECRETARY

Gun Ruder

### CHIEF FINANCIAL OFFICER

Pegi Ard

### PAST PRESIDENT

William Ow

### COMMUNITY REPRESENTATIVES

Rob Allen

Michele Bassi

Linda Burroughs

Ceil Cirillo

Linda Downing

David Heald

Matt Huffaker

Kelly Nesheim

Amy Newell

Ed Newman

June Padilla Ponce

Patty Quillin

Maria Esther Rodriguez

Karen Semingson

Kate Terrell

Rachel Wedeen

### COLLEGE TRUSTEE REPRESENTATIVES

Ed Banks

Rachael Spencer

Donna Ziel

### COLLEGE STAFF REPRESENTATIVES

Matthew E. Wetstein

President

Sue Gochis

VP Student Services

Kathleen Welch

VP Instruction

Kristin Wilson

Faculty Representative

### EXECUTIVE DIRECTOR

Eileen Hill

July 1, 2019 to September 30, 2019

2019-20 Outright Gifts Fundraising Total \$ 337,296

2019-20 Unbooked Revocable Planned Gifts \$ 0

**Total \$ 337,296**

---

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, \$ 12,250

Theatre & Engineering)

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's 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**

**Notes:** 1. The cumulative unbooked revocable planned gifts total is \$25,250,000.



CPAs & BUSINESS ADVISORS

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 [REDACTED], 2019. 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,

*Eide Bailly LLP*

2019  
San Ramon California

# Cabrillo College FOUNDATION

## OFFICERS

### PRESIDENT

Owen Brown

### VICE PRESIDENT

Claire Biancalana

### SECRETARY

Gun Ruder

### CHIEF FINANCIAL OFFICER

Pegi Ard

### PAST PRESIDENT

William Ow

### COMMUNITY REPRESENTATIVES

Rob Allen

Michele Bassi

Linda Burroughs

Ceil Cirillo

Linda Downing

David Heald

Matt Huffaker

Kelly Nesheim

Amy Newell

Ed Newman

June Padilla Ponce

Patty Quillin

Maria Esther Rodriguez

Karen Semingson

Kate Terrell

Rachel Wedeen

### COLLEGE TRUSTEE REPRESENTATIVES

Ed Banks

Rachael Spencer

Donna Ziel

### COLLEGE STAFF REPRESENTATIVES

Matthew E. Wetstein

*President*

Sue Gochis

*VP Student Services*

Kathleen Welch

*VP Instruction*

Kristin Wilson

*Faculty Representative*

### EXECUTIVE DIRECTOR

Eileen Hill

## 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.

6500 SOQUEL DRIVE • APTOS, CA 95003 • 831.479.6338  
FOUNDATION@CABRILLO.EDU • FOUNDATION.CABRILLO.EDU

# Cabrillo College FOUNDATION

## MEMORANDUM

### OFFICERS

**PRESIDENT**  
Owen Brown

**VICE PRESIDENT**  
Claire Biancalana

**SECRETARY**  
Gun Ruder

**CHIEF FINANCIAL OFFICER**  
Pegi Ard

**PAST PRESIDENT**  
William Ow

### COMMUNITY REPRESENTATIVES

Rob Allen  
Michele Bassi  
Linda Burroughs  
Ceil Cirillo  
Linda Downing  
David Heald  
Matt Huffaker  
Kelly Nesheim  
Amy Newell  
Ed Newman  
June Padilla Ponce  
Patty Quillin  
Maria Esther Rodriguez  
Karen Semingson  
Kate Terrell  
Rachel Wedeen

### COLLEGE TRUSTEE REPRESENTATIVES

Ed Banks  
Rachael Spencer  
Donna Ziel

### COLLEGE STAFF REPRESENTATIVES

Matthew E. Wetstein  
*President*  
  
Sue Gochis  
*VP Student Services*  
  
Kathleen Welch  
*VP Instruction*  
  
Kristin Wilson  
*Faculty Representative*

**EXECUTIVE DIRECTOR**  
Eileen Hill

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 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.
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

10:00-11:00am

(Sesnon House Room 1824)

***Walking Tour for Full Board:***

September 10, 2019

11:00-11:45am

### **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***

## **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

## **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

## **EVENT DATES**

***Scholarship Donor  
Reception***

October 24, 2019

4:00 – 6:00 pm

Sesnon House

***Cabrillo 60<sup>th</sup> 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

4:00-6:00pm

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

# 2019-20 Cabrillo College Foundation Committee Roster – Updated 10/2/2019

## **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

## **AUDIT**

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

## **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

## **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 Freiwald  
Francisco Iñiguez  
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 Mazry  
Greg Solow  
Tangie Solow  
Rachael Spencer  
Rachel Wedeen  
Matt Wetstein  
Theo Wierdsma  
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

Freny Cooper  
Mary Culley  
Corrine Flanagan  
Pam Goodman  
Julie Hanks  
Kathleen Jones  
Janet Krassow  
Leola Lapides  
Angie McClellan  
Sue Nerton  
Amy Newell  
Mara Paladrani  
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 Alancraig  
Leti Amezcua  
Jenna Becker  
Rosemary Brogan  
Sue Bruckner  
Lauren Cole  
Olga Diaz  
Mario Garcia  
Ofelia Garcia  
Irma Gil  
Holly Goodman  
Gabby Huezo  
Jay Jackson  
Teresa Kidwiler  
Elissa Kurk  
Michelle Morton  
Shirley Flores-Munoz  
Diego Navarro  
Christina Ortega  
Beth Regardz  
Ana Rodriguez  
Barbara Schultz-Perez  
Nancy Spangler  
Tasha Sturm  
Laura Thurman  
Windy Valdez  
Marilyn Zanetti  
*Staff:* Caitlin Bonura