



Audit Committee Meeting Minutes

June 10, 2020

Via Videoconference

Committee Members present: Angelica Arroyo (chair), Linda Bynoe, Jeremy Green, Lewis Leader, Joe Servi, Joyce Simon,

Committee Members absent: Adam Jeselnick

Audit Firm representatives: Christine Bruno, Bill Rauch—*Eide Bailly, LLP*

Monterey Peninsula College Foundation (MPCF) Staff Present: Karen Kelly, Beccie Michael

1. Ms. Arroyo called the meeting to order at 3:34 pm
2. Recognition of Guests and Public Comment – None
3. Minutes of the May 22, 2019 annual Audit Committee meeting were presented for review;
 - Motion: Ms. Simon; second: Mr. Leader
 - Ayes: Ms. Arroyo, Mr. Green, Mr. Servi, Nays: none, Abstentions: Ms. Bynoe joined meeting after this vote
4. Review of MPCF 2019 Audited Financial Statements
Christine Bruno and Bill Rauch of Eide Bailly, LLP

Mr. Rauch led the review of the Independent Auditors' Report format and content, noting that:

- MPC Foundation received an *unmodified opinion*--the highest level of audit assurance that the statements are materially correct as presented.
- For 2019, there is a significant departure in report format from previous years. The 2019 report depicts only the current year instead of the usual format providing previous year comparisons in tables throughout the report. This change accommodates updated guidance on MPC Foundation's accounting treatment of its *Osher Scholarship Fund*, the principal of which is held by another Foundation for MPC Foundation's benefit. The new guidance necessitated a net asset restatement that is not compatible with previous year comparisons. Eide Bailly expects to return to the customary format again starting 2020.
- MPCF has a favorable ratio of significant assets to very low liabilities



- MPCF's expense allocations among *Program* (77%), *Operating* (14%), and *Fundraising* (9%) functions are outstanding
 - There is no Management Letter outlining deficiencies or recommendations
5. 4:12 pm-4:21 pm—Closed Executive Session for Audit firm to consult with Board Audit committee without MPCF staff present
 6. The committee agreed to recommend that the MPC Foundation Board accept the 2019 Audited Financial Statements
 - Motion: Mr. Leader; Second: Ms. Bynoe
 - Ayes: Ms. Arroyo, Mr. Green, Mr. Servi; Nays: none
 7. ADJOURNED at 4:27 pm

Minutes submitted by Karen Kelly, MPC Foundation Accounting Manager