

COLLEGE OF THE CANYONS FOUNDATION
26455 Rockwell Canyon Road, Canyons Hall, Room 160, Santa Clarita CA 91455

Audit Committee
Meeting – Minutes
Thursday, October 27, 2022
Canyons Hall 211

Members Present: Jeff Thomas, Committee Chair
John Carlson, Gary Horton

Members Absent:

Foundation Staff Present: Kari Dahlquist, Shawna Lubs

District Staff Present: Jason Hinkle, Rosie Kochendorfer (Business Services), Sharlene Coleal

Affiliated Guests Present: Brandon Harrison representing Eide Bailly LLP

Guests: None

1. PRELIMINARY FUNCTIONS

1.1 **Call to Order/Establishment of a Quorum** **Jeff Thomas**

Determining that a quorum had been established, Jeff Thomas called the meeting to order at 4:05pm.

1.2 **Comments by Members of the Audience NOT on the Agenda** **Jeff Thomas**

Jeff Thomas asked for comments not on the agenda. There were none.

1.3 **Approval of Meeting Agenda** **Jeff Thomas**

Jeff Thomas asked for approval of the meeting agenda.

Motion to Approve:

John Carlson

Second:

Jeff Thomas

Record of Votes: 3 – 0

(members absent)

1.4 **Approval of Meeting Minutes: N/A** **Jeff Thomas**

This being the first meeting of the Audit Committee for the fiscal year, there were no meeting minutes to approve.

2. INFORMATION

2.1 **Status of 2021-2022 Audit** **Brandon Harrison**

The Independent Auditors' Report Section contains the Final Report issued by Eide Bailly LLP, the independent auditors hired by the COC Foundation to perform the annual audit. This report indicates that Eide Bailly conducted an audit in accordance with auditing standards generally accepted in the United States of America. In their opinion, the financial statements present fairly, in all material respects, the financial position of the College of the Canyons Foundation as of June 30, 2022, and the change in its net assets and its cash flows for the year then ended. There were no audit findings identified during the course of the audit, which means that all of the documentation tested for revenues and expenses reflect accurate and compliant transactions.

The summary of the financial highlights illustrates the Foundation's strong fiscal viability to support high-quality and affordable education for all who live in our community.

The *Statement of Financial Position for the Year Ended June 30, 2022* reports the value of all assets and liabilities of the Foundation. This statement reflects total assets of \$5,733,283. Assets include cash and cash equivalents, donor pledges and other accounts receivables, prepaid expenses, investments, beneficial interest in assets held by the Foundation for California Community Colleges, long-term donor pledges, and cash surrender value of life insurance. Total liabilities of \$198,511 represents accounts payable, net pension liability, and deferred revenue. Brandon Harrison pointed out that it is important for foundations to have both restricted funds based on the intent of the donor which should be to support students and programs of the District. There should also be unrestricted funds to aid general operations. It was noted that the Foundation has a high unrestricted reserve which could be designated for a specific purpose and possibly invested to increase returns on those funds.

The *Statement of Activities for the Years Ended June 30, 2022* reports public support and revenues, expenses, other income, and net assets based on two categories: Without Donor Restrictions and With Donor Restrictions. Revenues Without Donor Restrictions increased by \$204,835 in 2021-22 as compared to 2020-21. Revenues With Donor Restrictions decreased in 2021-22 by (\$666,861) as compared to 2020-21.

The *Statement of Functional Expenses for the Years Ended June 30, 2022* provides detail of the Foundation's annual expenses on a functional basis. Based upon management's estimates, the costs of providing various programs and activities have been summarized into three categories: Program, Management and General, and Fundraising. Total expenses for 2021-22 were \$1,924,298 which includes \$557,966 in support to the District and its students. Total Expenses increased by \$297,380 as compared to 2020-21.

The Foundation continues to keep Management and General expenses low at 15% of total expenses, and focuses most of the resources generated on providing support to campus programs, which represent 63% of all expenses:

\$1,205,779 in Program expenses 63% of total expenses
\$ 434,402 in Fundraising expenses 22% of total expenses
\$ 284,747 in Management and General expenses 15% of total expenses

Brandon Harrison emphasized roughly 70% of dollars raised meet the goals of the Foundation, which is appropriate for a foundation of this size.

Statement of Activities – Income Activity

\$558,000 in assets were released from restrictions. The restriction is released and then monies are spent. Donated services (pg 22) break down: District provides salaries, services, and facilities. Contributions increased \$400,000. Brandon Harrison pointed out the biggest change is in the loss on investments.

According to the auditors, there were no audit adjustments, disagreements, or findings.

Recognition was given to Jason Hinkle and Rosie Kochendorfer of Business Services for their contributions to ensuring the continuity of fiscal accounting after Foundation staff retirements which led to another clean audit.

This Audit Committee recommends the audit to the Foundation Executive Committee for approval.

3. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

5.1 Adjournment

Jeff Thomas adjourned the meeting at 4:44pm

Jeff Thomas