

**COLLEGE OF THE CANYONS FOUNDATION**  
**26455 Rockwell Canyon Road, University Center 301, Santa Clarita, CA 91455**

**Executive Committee**  
**Minutes**

Wednesday, November 1, 2023, 4:00 pm

**Members Present:** Fred Arnold, Board Chair  
Sharlene Coleal, Gary Horton (Vice-Chair), Brian Koegle (remote), Shawna Lubs (Chief Operating Officer) Jill Mellady, Jeff Thomas

**Members Absent:** Lisa Burke, Steve Corn, Tamara Gurney, Randy Moberg, Dianne Van Hook

**Foundation Staff Present:** Cassidy Butow (Events Coordinator), Jerry De Felice (Chief Development Officer), Desiree Dodd (Director of Development and Engagement)

**District Staff Present:**

**Board Liaison Present:** Edel Alonso (President, Board of Trustees)

**Guests Present:** James Schramm (Investment Advisor, Raymond James and Associates)

**1. PRELIMINARY FUNCTIONS**

- 1.1 Call to Order/Establishment of a Quorum **Fred Arnold**  
Noting that a quorum had been established, Fred Arnold called the meeting to order at 4:06 pm.
- 1.2 Comments by Members of the Audience NOT on the Agenda **Fred Arnold**  
  
NONE
- 1.3 Approval of Meeting Agenda **Fred Arnold**  
Fred Arnold requested a motion to approve the November 1, 2023 agenda.  
Motion to Approve: Brian Koegle      Second: Jeff Thomas      Voting Yes: Fred Arnold, Sharlene Coleal, Jerry De Felice, Brian Koegle, Shawna Lubs, Jill Mellady, Jeff Thomas
- 1.4 Approval of Meeting Minutes: September 5, 2023 **Fred Arnold**  
Fred Arnold requested a motion to approve the meeting minutes from the Joint Board of Trustees and Executive Committee meeting on September 5, 2023.  
  
The joint meeting and Executive Committee minutes must be separated into two documents.  
Fred Arnold requested a motion to approve as amended.  
Motion to Approve: Jeff Thomas      Second: Sharlene Coleal      Voting Yes: Fred Arnold, Sharlene Coleal, Jerry De Felice, Brian Koegle, Shawna Lubs, Jill Mellady, Jeff Thomas

**2. INFORMATION**

2.1 Update on Legal Analysis

**Sharlene Coleal**

Sharlene Coleal presented an overview summary of the Foundation's legal review activities during the fiscal years of 2021-2022, 2022-2023, and 2023-2024. A portion of this activity was dedicated to the updated Foundation Operating Agreement. A list of these activities is available to the Full Board upon request.

To ensure the retention of this legal advice, the Foundation needs to establish desk procedures that outline all steps involved in regular operational processes and procedures. This will help to ensure knowledge sharing in the event of staff turnover. There will be a standing agenda item at Executive Committee meetings to review procedures and policies.

2.2 Changes to Investment Portfolio

**James Schramm**

Per the Foundation Finance Committee on October 27, 2023, James Schramm discussed changing our investment strategy to buying individual bonds rather than index funds, similar to the Manvi Trust strategy. For example, the Foundation currently owns several Vanguard Index Funds. If we purchased individual bonds instead, we would better control income and lock in higher interest rates.

The plan of action for James Schramm is to buy individual bonds, control the bond's income, and manage the bond's return. This change will be reflected in the portfolio as we go from owning two positions in each portfolio to probably twenty to thirty positions.

The Foundation Investment Policy gives James Schramm the authority to make the best decisions based on asset allocation and other criteria. Schramm will choose the individual bonds, shift them to longer duration, and hold them to maturity as appropriate. The bonds have to be considered investment grade, single A and above. The majority of bonds pay out returns twice per year. The stock portion of the investments will stay in the Vanguard index funds.

**3. APPROVAL**

3.1 2022-2023 COC Foundation Audit

**Jeff Thomas  
Brandon  
Harrison, Emily  
Sheldon, Ana  
Krdilyan– Eide  
Bailly**

The Foundation Audit Committee met on October 17, 2023, and received the 2022-2023 COC Foundation Audit draft. Emily Sheldon and Ana Krdilyan of Eide Bailly, who oversee the Foundation audit, presented the 2022-2023 Foundation Independent Auditor's Report. The auditors issued an unmodified opinion, which means they did not identify any material weaknesses, internal control deficiencies, or audit adjustments.

Anna reviewed the Statement of Financial Position, which shows all the Foundation assets, liabilities, and net position. In 2023, the total assets for the Foundation increased by about \$412,000, mostly from investments. The liabilities stayed consistent, with a slight decrease and an increase of \$408,000 in the net assets from investments. The Statement of Activities shows the Foundation's revenues and expenses by functional categories. The Functional Expense Schedule is essential for non-profit reports to see where expenditures were spent to compare donated funds between programs and operational costs. The

Foundation expenditures were 71% for the program, a healthy balance consistent with other Foundations.

The audit process is done virtually; all documents are sent online. The staff interviews are conducted through Zoom to understand the internal controls as part of the preliminary audit in May. In September, Eide Bailly conducts the year-end audit. They look at the balance sheet items, including cash, investments, accounts payable, and liabilities. After the year-end audit, Eide Bailly drafts the financial statements, sends the documents to the audit committee, and completes a wrap-up.

The Executive Committee discussed the benefits of having an in-person or virtual auditing process and the importance of having the auditors do an in-person audit. The COC staff is proactive in reaching out to the Auditors to ensure that things are done correctly, rather than being reactive. It is noted that we are interested in receiving an in-person audit next year.

Motion to Approve: Second: Brian Koegle  
Jill Mellady

Voting Yes: Fred Arnold,  
Sharlene Coleal, Jerry De  
Felice, Brian Koegle, Shawna  
Lubs, Jill Mellady, Jeff  
Thomas

### 3.2 Approval of Financial Statements as of September 30, 2023

**Sharlene Coleal**

- Fund 81 Revenue & Expenses
- Operating Fund Cash Flow Projections
- Fund 82-89 Revenue & Expenses Summary
- Cash Balance Summary
- Fund 81-88 Disbursement Detail

Sharlene Coleal presented the Financial Statements as of September 30, 2023. At 25% through the fiscal year, the revenues are ahead, and the expenses are below. Overall, the revenues are ahead because of an exceptional Golf Tournament. The Golf Tournament revenues are 106% over budget. The Chancellor's Circle revenue is on track with a goal of \$60,000. There are currently no revenues for Silver Spur, which will take place in April 2024. The expenses for salaries and benefits are on target. The expenditures for contract services, memberships, and planned giving are ahead of budget because the annual software and membership subscriptions are paid in advance. All other expenses in the Development Fundraising categories are below budget. In the General Operations budget, contract services are below budget as we have not yet received invoices from James Schramm and the attorney. The other General Operations categories are below 25%, on target with the budget. The Golf Tournament event expenses are still being processed, but the Foundation expects over \$76,000 in revenue, with a net income of \$34,000. The Chancellor's Circle expenses are expected to be \$15,000 against a budget of \$17,000, with additional costs for the Breakfast Briefings. The beginning fund balance is \$382,000 with the addition of any net revenue; the fund balance as of September 30, 2023, is \$394,000. The discretionary cash balance as of September 30, 2023 is \$261,000. It has been approved by the Foundation Board that \$100,000 of the discretionary cash balance be transferred to establish the Foundation Operating Endowment.

Motion to Approve: Brian Koegle Second: Jeff Thomas

Voting Yes: Fred Arnold, Sharlene  
Coleal, Jerry De Felice, Brian Koegle,  
Shawna Lubs, Jill Mellady, Jeff  
Thomas

### 3.3 Professional Service Agreements

**Shawna Lubs**

- AV Party Rentals - \$2,749.20 – Rentals for Chancellor's Circle Dinner
- John Pinto Music - \$1600.00 – Music for Chancellor's Circle Dinner
- Alexander Nizzoli - \$200.00 – Music for Chancellor's 35<sup>th</sup> Anniversary Celebration

- AV Party Rentals - \$691.25 – Rentals for Chancellor’s 35<sup>th</sup> Anniversary Celebration

Fred Arnold requested a motion to approve the professional service agreements for AV Party Rentals – Chancellor’s Circle Dinner, John Pinto Music – Chancellor’s Circle Dinner, Alexander Nizzoli – 35<sup>th</sup> Anniversary Celebration, and AV Party Rentals – 35<sup>th</sup> Anniversary Celebration.

Motion to Approve: Shawna Lubs      Second: Brian Koegle

Voting Yes: Fred Arnold, Sharlene Coleal, Jerry De Felice, Brian Koegle, Shawna Lubs, Jill Mellady, Jeff Thomas

3.4 Board Member Nominations

- Joyce Carson
- Jim Schrage

**Shawna Lubs**  
**Fred Arnold**

Fred Arnold requested a motion to approve the board member nominations of Joyce Carson and Jim Schrage.

Motion to Approve: Fred Arnold      Second: Brian Koegle

Voting Yes: Fred Arnold, Sharlene Coleal, Jerry De Felice, Brian Koegle, Shawna Lubs, Jill Mellady, Jeff Thomas

**4. ADJOURNMENT AND ANNOUCEMENT OF THE NEXT MEETING**

4.1 Adjournment

**Fred Arnold**

The next Executive Committee meeting is scheduled for Wednesday, January 10, 2024.

Fred Arnold adjourned the meeting at 5:06 pm.