COLLEGE OF THE CANYONS FOUNDATION
26455 Rockwell Canyon Road, Santa Clarita, CA 91355

Finance Committee
Meeting - Minutes
Friday, April 24, 2026, 8:30 AM
Canyons Hall 211

Members Present:	Lisa Burke (Finance Committee Chair), George Reyes (Finance Committee Co-Chair), Shawna Mann (Executive Director), William Harwood (via Zoom)
Members Absent:	Steve Corn, Jason Hinkle (Vice-President, Business Services and Foundation Treasurer), Jesse McClure, Randy Moberg
Foundation Staff Present:	Desiree Dodd (Director of Development and Engagement), Melayn Poladian (Foundation Relations Coordinator III), Dylan Mahoney (Events and Marketing Coordinator), Mayra Cuellar (Administrative Assistant V)
District Staff Present:	Rosie Kochendorfer (Senior Accountant, Business Services)
Affiliated Guests Present:	James Schramm (Investment Advisor, Raymond James)
Other Attendees:	

1. PRELIMINARY FUNCTIONS

1.1 Call to Order/Establishment of a Quorum — Lisa Burke

Noting that a quorum had been established, Lisa Burke called the meeting to order at 8:35 AM.

1.2 Approval of Meeting Agenda — Lisa Burke

Motion to Approve:	Second:	Vote - Passed:
Shawna Mann	George Reyes	4 Yes 0 No 0 Abstention

1.3 Approval of Meeting Minutes: February 27, 2026 — Lisa Burke

Lisa Burke requested a motion to approve the meeting minutes from the Foundation Board meeting on February 27, 2026.

Motion to Approve:	Second:	Vote - Passed:
Shawna Mann	George Reyes	4 Yes 0 No 0 Abstention

1.4 Welcome New Committee Member William Harwood — Lisa Burke

Lisa Burke welcomed William Harwood to the committee.

2. REVIEW

2.1 Foundation Investment Update by Financial Advisor — James Schramm

In the recent quarterly update, James Schramm acknowledged the challenges faced during the ongoing conflict, noting that the lowest point occurred at the end of March. Following this, they observed a recovery after adopting a more aggressive investment strategy in early April. Despite a 2.5% decline in the

first quarter of 2026, the fiscal year shows 3% growth, with the market rebounding significantly.

James Schramm highlighted the differences between managing endowment funds and personal investments, emphasizing the need for stability and avoiding large market swings. He discussed potential opportunities for investing in private real estate, such as Blackstone's BREIT, which offers a 4% annual return in addition to property appreciation. James Schramm acknowledged the limitations of their current investment size compared to larger endowments like the UC system, which allocates a significant portion of its funds to hedge funds.

James Schramm provided a comparative analysis of performance against notable endowments: for the fiscal year ending 2025, their fund was up 12.07%, surpassing Harvard and Yale. Over the past few years, they have consistently outperformed these institutions, averaging an 8% annual return since 2020, with a target benchmark of 6% to 7%.

James Schramm noted a current uptrend of around 3.11% for the fiscal year and anticipated further positive movement. They discussed external factors influencing the market, including the resolution of an investigation into Jerome Powell, which is expected to lead to lower interest rates and positively affect market performance. James Schramm expressed concern that prolonged conflict could negatively impact trade routes and market conditions in the future.

It was highlighted that over the last 8 to 10 quarters, the investment strategy has not outperformed its benchmark. James Schramm explained that a more conservative approach was adopted intentionally due to prevailing market conditions, with a focus on minimizing losses rather than maximizing returns. In the initial years, investments exceeded the benchmark, but in recent years, they have prioritized risk management, aiming for an annual average return of 6% to 7% rather than overly aggressive gains.

The conversation also addressed the interpretation of performance metrics, with James Schramm acknowledging that, while their goal is to align closely with the benchmark, focusing on stability and risk reduction is essential for managing an endowment fund. James Schramm contrasted this strategy with managing individual investment portfolios, which often aim for higher returns. James Schramm assured that the investment guidelines could be revisited to clarify expectations better. James Schramm noted that regular disbursements from the fund necessitate careful management to ensure sufficient returns are generated to meet these obligations.

2.2 Review of Investment Policy and Current Investments **Shawna Mann**

During our meeting, the committee discussed the investment policy, emphasizing the objective of ensuring financial stability over solely maximizing returns. It was noted that the current allocation consists of 60% in SPY and AGG.

Given that Jason Hinkle was absent, the committee considered forming a subcommittee to address the policy, particularly the benchmarking section, thoroughly. The importance of involving all board members was highlighted,

but the committee decided to review the benchmark with the available members, including James Schramm.

The committee examined the evaluation benchmark, which assesses the performance of the investments against a policy index. There were concerns that the current benchmark does not align with James Schramm's performance, prompting the need for either an adjustment to the benchmark itself or clearer guidelines for his investment strategy, as the focus has shifted to a 6-7% return, which is not specifically addressed in the policy.

William Harwood expressed the need to create new benchmarks that accurately reflect our investment allocations and offered to prepare detailed performance comparisons for our next meeting. Overall, the discussion emphasized the need for clarity and alignment between our policy and actual investment performance to ensure the committee set James Schramm up for success.

The policy includes an automatic annual disbursement of 5%, divided into two installments of 2.5% each.

A meeting will be scheduled in May to thoroughly review the Investment Policy and our current investments.

2.3 Fundraising Report **Desiree Dodd**

The committee reviewed the fundraising report, which currently stands at $1.771 million towards our $2 million goal. It's important to note that 20% of our board members have yet to make contributions. We plan to reach out to those individuals to encourage 100% participation.

A significant portion of our funds, about 60%, comes from the Cusumano contributions. The Foundation received a nearly $20,000 gift for scholarships from the Rockhold Lifelong Learning Foundation, which supports multiple scholarship programs.

The committee also discussed the split of the Cusumano endowment, which includes funds for both scholarships and program purposes. Much of the funding was received in the previous fiscal year, but we anticipate further contributions as we finalize our operational costs and other related expenses.

The Foundation is optimistic about reaching the fundraising goal and expects additional funds to become available for our endowment by the end of the fiscal year.

3. <u>APPROVAL</u>

3.1 Approval of Financial Statements as of March 31st, 2026 **Rosie Kochendorfer**

Key financial updates were discussed as the committee evaluated the approval of financial statements. With the fiscal year 75% complete, revenues were slightly below expectations, although hopes were high for the upcoming Silver Spur event to boost income. Administrative fees were confirmed to be around $8,000.

Expenses appeared to be on target at 74%, with contract services fully paid. The projected donor contributions for the event were anticipated at $90,000, with expenses expected to be $48,000, resulting in a net income of

approximately $42,000. The original budget, established when a previous member was present, had initially set a lower expectation for expenses, but it has become evident that these costs would be significantly higher, yet still lower than the previous year.

The discussion also emphasized the advantages of this year's more economical venue at Universal, despite its smaller size. The committee expressed optimism about reaching its new net income goal of $40,000 to $42,000.

Towards the end, the committee addressed the remaining needs for the upcoming Silver Spur event, including securing one more sponsorship table, selling around 75 individual tickets, and securing valuable donations for the live auction. The need to strengthen auction packages was highlighted.

Motion to Approve:	**Second:**	**Vote - Passed:**
George Reyes	Shawna Mann	3 Yes (William had logged off) 0 No 0 Abstention

3.2 Tentative Budget for 2026-2027 Fiscal Year **Shawna Mann**

The tentative budget discussion confirmed that the existing financial strategies will remain unchanged for the upcoming year. The fundraising goal was set at $165,300 in unrestricted giving, but current projections are significantly lower at $30,000. To align with the strategic plan, the total income target will increase from $2 million to $2.4 million, necessitating a substantial boost in fundraising efforts.

The Foundation plans to double its fundraising budget to $60,000, reflecting optimism about increased revenue, particularly from events like the golf tournament, for which the budget has been adjusted to $140,000 based on previous actuals rather than prior estimates. The Silver Spur event budget will hold steady at $90,000.

Total fundraising expectations are set at $290,000. As for operational expenses, only one salary will be covered, with slight increases due to the step schedule. The Foundation relies on work-study students and has minimal temporary staffing needs. Budget allocations for contract services, mileage, and events have been recalibrated to reflect actual usage and anticipated events.

Membership in associations such as VICA remains under consideration, as prior experience has demonstrated the value of networking opportunities. Discussions around adjusting memberships will take place as benefits are evaluated. Advertising and marketing expenditures will also remain relatively stable. Overall, the foundation is focusing on strategic growth and resource management to meet its financial goals for the forthcoming year.

Motion to Approve:	Second:	Vote - Passed:
George Reyes	Shawna Mann	3 Yes (William had logged off) 0 No 0 Abstention

4. <u>PUBLIC COMMENT</u>

4.1 Comments by Members of the Audience NOT on the Agenda **Lisa Burke**

No comments from audience members not on the agenda.

5.

5.1 Adjournment **Lisa Burke**

Lisa Burke adjourned the meeting at 10:10 AM.