

Cabrillo College FOUNDATION

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Eileen Hill

MEMORANDUM

DATE: September 28, 2026

TO: David Heald, Ron Sekkel

FROM: Karen Semingson, Chair

STAFF: Eileen Hill and Patrick Andrews

GUEST: Kyle Holtz and Alicia Hernandez, CWDL

SUBJECT: **Audit Committee Meeting**
Monday, October 5, 2026
9:30 am – 10:30 pm
Zoom Virtual Meeting

Item	Responsibility	Page
A. Regular Open Session		
1. Welcome and Call to Order	K. Semingson	
2. Approval of Agenda	K. Semingson	
<i>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.</i>		
3. July 8, 2026 Meeting Minutes	K. Semingson	3 – 4
B. Public Comment		
1. Public Comment Opportunity	K. Semingson	

Item	Responsibility	Page
C. Reports		
1. Cabrillo College Report	E. Hill	5 – 6
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D. Action Items		
1. 2025-26 Audit Draft	K. Holtz	12 – 38

E. Informational Items		
1. 2025-26 Audit Timeline	P. Andrews	39
2. Committee Calendar and Roster	K. Semingson	40 – 42

F. Adjournment		
1. Adjournment	K. Semingson	

NEXT MEETING
July 2027 TBD

Audit Committee Attendance Chart

Audit Committee Members	7.8.26	10.5.26	TBD
David Heald	P		
Ron Sekkel	P		
Karen Semingson	P		

A=Absent, P=Present, N=Not on Committees
Attendance is based on the Audit Committee meeting minutes. Please call Patrick Andrews at 479-5725 if you believe this chart is in error.

**Cabrillo College Foundation
Audit Committee Meeting
Minutes of July 8, 2026**

Present: David Heald, Ron Sekkel, and Karen Semingson

Absent: All committee members were present

Staff: Eileen Hill and Patrick Andrews

Guests: Kyle Holtz and Alicia Hernandez, CWDL

Call to Order – K. Semingson called the meeting to order at 11:00 a.m.

Approval of Agenda

Motion: MSC: D.Heald/R.Sekkel: The Audit Committee members unanimously approved the Audit Committee agenda.

Approve Audit Committee Minutes:

Motion: MSC: D.Heald/K.Semingson: The committee voted to approve the Audit Committee Minutes of November 17, 2025, with Ron Sekkel abstaining.

Public Comment Opportunity

There were no members of the public in attendance.

Cabrillo College Report & Executive Director Report

Eileen gave a brief update on the College and fundraising for the Foundation.

Review Audit Schedule:

Patrick Andrews reviewed the Audit timeline. The Audit Committee will review the Audit the first week of October, with the goal to bring it to Foundation Board for acceptance at the November 10th Board Meeting

Discuss 2025-26 Audit

Kyle Holtz, CWDL, provided an overview of the upcoming audit process. He noted that interim testing was completed in March and concluded satisfactorily. Once Foundation staff completes the June financial close, the audit team will begin year-end procedures, including cash and endowment testing and verification of balances for net assets with and without donor restrictions. Kyle indicated that no significant changes to the audit

are anticipated from the prior year and expects the audit process to proceed in a routine and straightforward manner.

Adjournment

Meeting adjourned at 11:13 a.m.

Respectfully submitted,

Patrick Andrews

Patrick Andrews
Accounting & Human Resources Manager

**Upcoming Meetings:
Week of October 5th, TBD**

Audit Committee Attendance Chart

Audit Committee Members	7.9.25	10.6.25	11.17.25	7.8.26
David Heald	P	P	P	P
Ron Sekkel	N/A	N/A	N/A	P
Karen Semingson	P	P	P	P

A=Absent, P=Present, N=Not on Committees

Attendance is based on the Audit Committee meeting minutes. Please email paandrew@cabrillo.edu or call 479-5725 if you believe this chart is in error.

Cabrillo's Costa Vista Housing



Costa Vista will provide affordable student housing and comprehensive support services on Cabrillo's Aptos Campus through a partnership with UC Santa Cruz. The project places Cabrillo among only 16 California community colleges with student housing and creates the first UC/community college housing partnership on a community college campus, offering a model for future statewide collaboration.

Overview

Project: Costa Vista Student Housing at Cabrillo College

Timeline: On schedule for completion in Fall 2027

Financing Partnership: \$181 million joint venture between the State of California and UC Santa Cruz

Capacity: 196 units | 647 beds

Bed Allocation: 60% Cabrillo College students / 40% UC Santa Cruz students

Student Priority (Cabrillo): Full-time students (12+ units in good academic standing) who are low-income. Cabrillo will prioritize outreach and support to students experiencing homelessness, former foster youth, and veterans

Amenities: 24/7 living environment with single, double, and family units, plus a childcare center, wellness/fitness center, study lounges, essential needs pantry, grab and go food options, roof amenity space, community lounges, onsite management/maintenance/security, bike racks and repair station

Construction Funding

- **State Grants:** \$111+ million via the Higher Education Student Housing Grant Program (funding Cabrillo's portion)
- **Private Bonds:** Issued for the remaining costs of the student housing project and repaid by the operator, Greystar, through revenue generated by rental income
- **Donors:** Funded the new Childcare Center (Details below)
- **Local Impact:** Neither Cabrillo College nor local tax bonds carry any financial responsibility for construction costs

Ownership and Development

- **Public-Private Partnership:** Operates in collaboration with Greystar Development and the Collegiate Housing Foundation
- **Day-to-Day Management:** Handled by a third-party operator, fully funded through student rental rates
- **Long-Term Sustainability:** Resident housing fees support operations and repayment of project financing, ensuring the community remains financially self-sustaining over time.

Donor Funded Child Care Center

The Cabrillo College Foundation helped raise \$5 million to build a new 5,787-square-foot childcare center within the Costa Vista student housing community. The center will offer subsidized, high-quality childcare for low-income student parents while providing hands-on training opportunities for Early Childhood Education (ECE) students.

Childcare Center Highlights

- **Expanding access to affordable childcare:** The center will help student parents stay enrolled, complete their degrees, and strengthen long term family outcomes
- **50-64 children served per year:** Ages 6 months to 3 years from Cabrillo and UC Santa Cruz student families
- **High Quality Care:** Full-time childcare with early childhood educational programming, extensive space for outside play, and nutritional food service that offers meals three times per day
- **Operated by Community Bridges:** A trusted local partner selected through a competitive selection process
- **Training for ECE students:** Opportunities for students to gain hands-on experience toward licensure under expert mentorship

Executive Director Report: October 2026

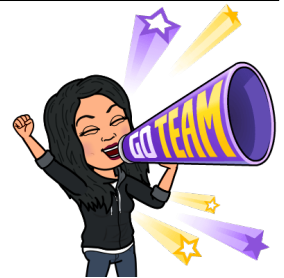
Administration

- Audit preparation
- Annual Faculty and Staff grants process launched
- 2025-26 Final Reporting
 - Raised \$10,376,953 in outright gifts, includes \$6.7M in endowed support
 - Raised \$4M in unbooked planned gifts
 - 1,593 donors, including 358 new donors



Fundraising

- \$459,259 raised so far this year
- President's Circle: \$82,287 raised, recruiting four new committee members, committee members at work
- Women's Educational Success: \$334k raised, \$145,000 to award this year
- Students Veterans, Cabrillo Stage, Stroke and Disability Learning Center, Scholarship Committees working to raise funds for their programs.
- Proposals:
 - Monterey Peninsula Foundation to support HVAC program
 - Arts Council of SC to support Cabrillo Stage
 - Davidson Family Foundation to support Engineering
 - Sutter Health/PAMF to support Allied Health
- Legacy Giving: working with two new donors, developing MOCIs for existing donors, received four estate gifts totaling \$3.8M for 2025-26



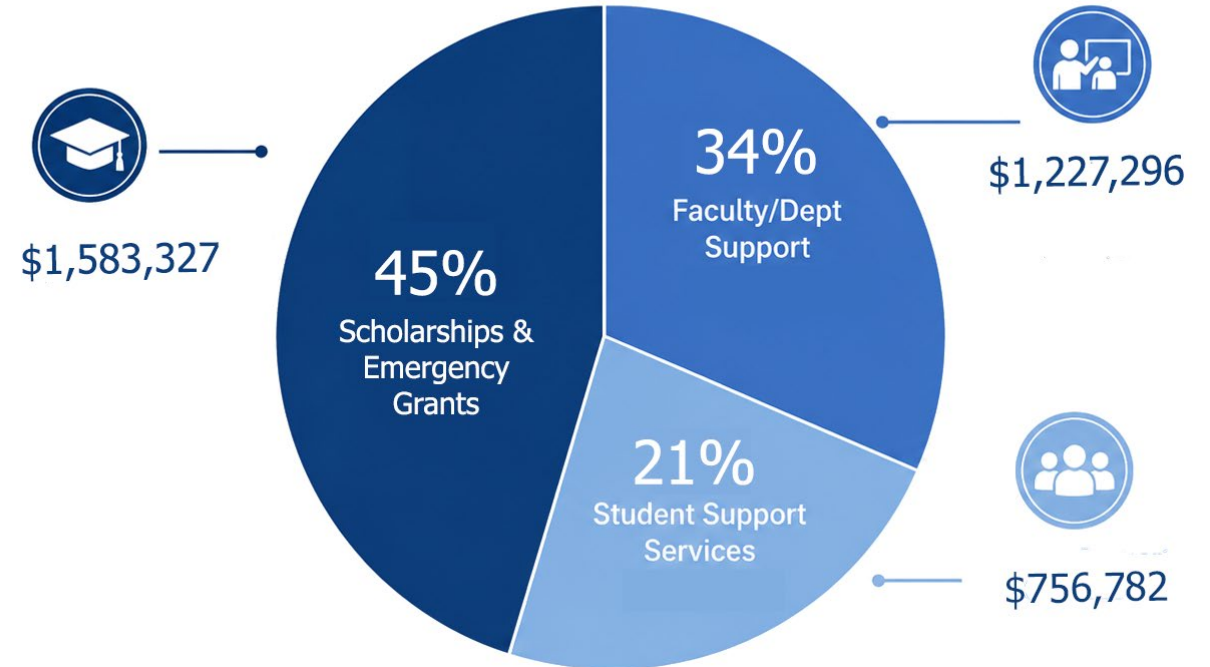
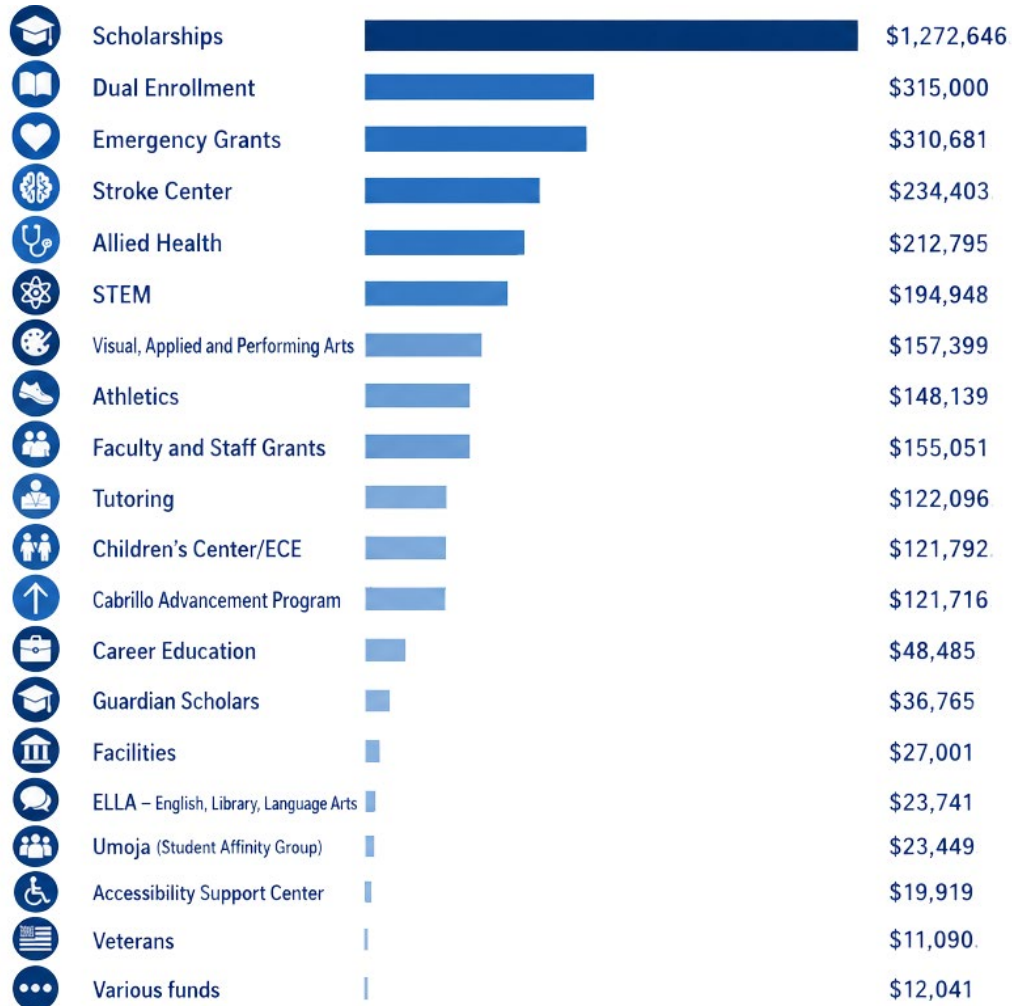
Upcoming Events

- Cabrillo Retiree Happy Hour, Sesnon House
October 13, 4:00 – 6:00 pm
- Veterans Endowment Donor Luncheon at the Sesnon House
November 4, 12:00 – 1:30 pm (\$100+donors)
- Board of Directors Meeting at Sesnon House
November 10, 12:00 – 2:00 pm



Cabrillo College Foundation

Disbursements to Cabrillo College and Students 2025-2026 Total: \$3,567,405



MEMORANDUM

DATE: September 28, 2026

TO: Audit Committee

FROM: Eileen Hill

SUBJECT: 2026-27 Fundraising Targets

BACKGROUND

The Cabrillo College Foundation Board approved a \$5M fundraising goal in outright and unbooked planned gifts. The \$5M goal includes a target of \$1,500,000 in endowed gifts and \$500,000 in unbooked planned gifts. Focusing efforts on endowed gifts and legacy giving will help ensure the long-term health and sustainability of the Foundation.

Amount Raised 7/1/26-9/23/26	2026-27 Target	
\$82,287	\$525,000	President's Circle
\$155,749	\$275,000	Women's Educational Success
\$6,610	\$150,000	Cabrillo Advancement Program (Endowed)
\$85,457	\$1,000,000	Scholarships (Endowed)
\$72,591	\$300,000	Scholarships (Nonendowed)
\$35,675	\$1,000,000	Faculty/Department Support (Faculty Grants, Allied Health, Athletics, VAPA etc)
\$4,059	\$1,000,000	Student Support Services (foster youth, internships, tutoring, Veterans, Umoja, etc.)
\$0	\$250,000	Donor directed interests
\$0	\$500,000	Unbooked Planned Gifts
\$459,259	\$5,000,000	TOTAL

DATE: September 28, 2026

TO: Audit Committee

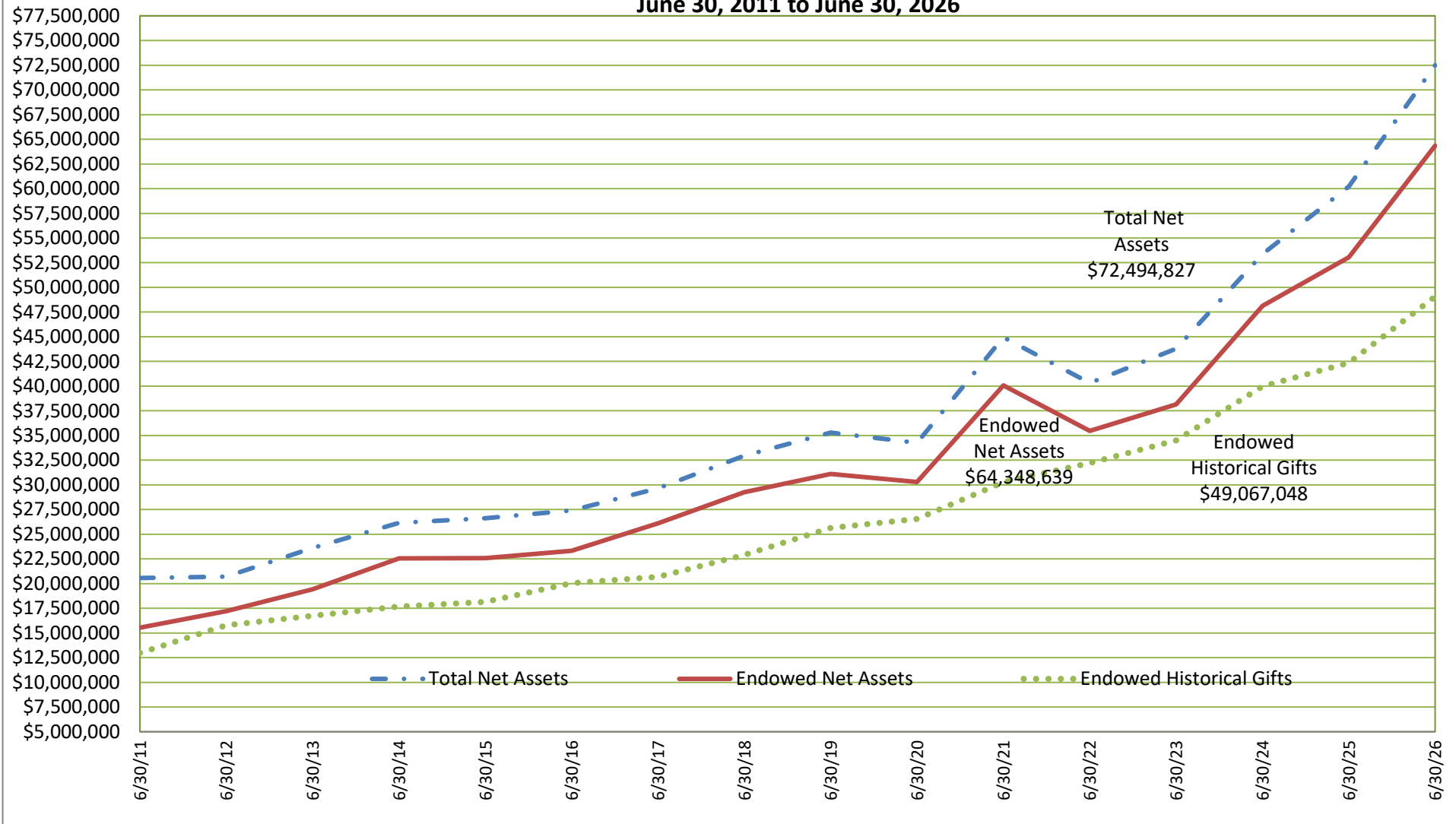
FROM: Eileen Hill

July 1, 2026 to September 23, 2026	\$ 459,259
Outright Gifts	
Unbooked Revocable Planned Gifts	\$ 0
Total	\$ 459,259

2026-27 Goal for Outright and Unbooked Revocable Planned Gifts	\$ 5,000,000
Recorded Gifts 07-01-26 to 09-23-26	
Betsy Allen & Janet Sims (WES, Scholarship)	\$ 30,570
Mike Beehler (Scholarship)	\$ 25,000
The David William Upham Foundation (Emergency Grants)	\$ 25,000
Marq Elliot (Emergency Grants)	\$ 20,000
J. Miles & Rosanne Reiter Family Foundation (President's Circle)	\$ 20,000
Edward Newman Family Charitable Fund (President's Circle)	\$ 15,000
Roberto Vargas (Scholarship)	\$ 15,000
Freny Cooper (WES & President's Circle)	\$ 12,500
Jocelyn Levy (Scholarship)	\$ 11,355
Jill & Dick Wilson (Scholarship)	\$ 10,000
Cynthia Calvert (Scholarship)	\$ 8,500
The Sharanam Foundation (WES)	\$ 8,000
Snap Mobile, Inc. (Football)	\$ 6,182
Gayle & Joseph Ortiz (President's Circle)	\$ 5,500
Edward Houghton (WES & President's Circle)	\$ 5,100
Dick & Judy Zscheile (Stroke Center; WES)	\$ 5,100
David & Penny Chesluk (Scholarship)	\$ 5,000
Mark Chetkovich (Scholarship)	\$ 5,000
Cynthia FitzGerald & James Day (WES, Stroke Center, President's Circle)	\$ 5,000
Carol Lafin (WES, Cabrillo Stage, Student Veterans, Stroke Center, Scholarship)	\$ 5,000
Anonymous (WES)	\$ 5,000
Penelope Rich & William Hill (WES)	\$ 5,000
Diane Trombetta & Tom Davis (WES)	\$ 5,000
Michael Wallis (Scholarship)	\$ 5,000
Melanie & Alan Wirtanen (WES)	\$ 5,000
Foundation for California Community Colleges (Scholarship)	\$ 4,800
Geoff & Lisa Caras (VAPA)	\$ 3,975
831 Volleyball LLC (Volleyball)	\$ 3,000
Daryl Dichek & Kenneth Smith (WES, Stroke Center, President's Circle)	\$ 3,000
Doug & Gwen Kaplan (WES & President's Circle)	\$ 3,000
Carolyn Parham (WES, Student Veterans)	\$ 3,000
Michael & Casey Protti (WES)	\$ 3,000
Rudolph F. Monte Foundation (Women's Basketball)	\$ 3,000
Gifts under \$3,000 (523 of 556 total donors)	\$ 164,677
Total Outright Gifts	\$ 459,259
Total Unbooked Revocable Planned Gifts	\$ 0
TOTAL	\$ 459,259

Notes: 1. For the 2026-27 Fiscal year, the Cabrillo College Foundation has been notified of one planned gift.
2. The cumulative unbooked revocable planned gifts total is \$36,045,868.

Cabrillo College Foundation
Total Net Assets, Endowed Net Assets, and Endowed Historical Gifts
June 30, 2011 to June 30, 2026



Total Net Assets highest level was \$72,887,221 as of May 31, 2026

Endowed Net Assets highest level was \$64,348,639 as of June 30, 2026

Endowed Historical Gifts highest level was \$49,067,048 as of June 30, 2026

CABRILLO COLLEGE FOUNDATION

AUDIT REPORT

JUNE 30, 2026 AND 2025

CABRILLO COLLEGE FOUNDATION
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JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cabrillo College Foundation
Aptos, California

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Cabrillo College Foundation (the "Foundation"), as of and for the years ended June 30, 2026, and 2025, and the related notes to financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation as of June 30, 2026, and 2025, and the changes to its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

San Diego, California

 2026

FINANCIAL STATEMENTS

CABRILLO COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash and cash equivalents (note 5)	\$ 4,846,627	\$ 4,563,490
Contributions receivable, net (note 2)	128,949	94,685
Accounts receivable	103	67,117
Split-interest agreements (note 3)	12,804	16,050
Prepaid and other assets	46,759	29,886
Investments (note 5)	70,539,804	58,328,117
TOTAL ASSETS	\$ 75,575,046	\$ 63,099,345
LIABILITIES		
Scholarships, payables and accrued compensation (note 8)	\$ 2,345,304	\$ 2,152,290
Unfunded pension obligation (note 11)	477,773	591,312
Other post-employment benefits (note 12)	143,603	132,663
TOTAL LIABILITIES	2,966,680	2,876,265
NET ASSETS		
Net assets without donor restrictions (note 10)	3,887,485	3,598,230
Net assets with donor restrictions (note 10)	68,720,881	56,624,850
TOTAL NET ASSETS	72,608,366	60,223,080
TOTAL LIABILITIES AND NET ASSETS	\$ 75,575,046	\$ 63,099,345

CABRILLO COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2026

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions, net of uncollectible amounts	\$ 606,049	\$ 9,538,857	\$ 10,144,906
Net investment income	197,221	5,991,021	6,188,242
Endowment management fee	859,425	-	859,425
In-kind contributions	25,667	30,227	55,894
Other income	321,053	-	321,053
Net assets released from restrictions	3,464,074	(3,464,074)	-
TOTAL SUPPORT AND REVENUE	5,473,489	12,096,031	17,569,520
EXPENSES			
Program services			
Scholarships and awards	1,888,590	-	1,888,590
College support	2,445,799	-	2,445,799
Supporting services			
Management and general	525,104	-	525,104
Fundraising	324,741	-	324,741
TOTAL EXPENSES	5,184,234	-	5,184,234
Change in Net Assets	289,255	12,096,031	12,385,286
Net Assets - Beginning of Year	3,598,230	56,624,850	60,223,080
Net Assets - End of Year	\$ 3,887,485	\$ 68,720,881	\$ 72,608,366

See accompanying notes to financial statements

CABRILLO COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions, net of uncollectible amounts	\$ 1,225,535	\$ 4,955,723	\$ 6,181,258
Net investment income	350,053	3,730,926	4,080,979
Endowment management fee	757,191	-	757,191
In-kind contributions	29,221	76,633	105,854
Other income	185,601	-	185,601
Net assets released from restrictions	3,351,219	(3,351,219)	-
TOTAL SUPPORT AND REVENUE	5,898,820	5,412,063	11,310,883
EXPENSES			
Program services			
Scholarships and awards	1,688,317	-	1,688,317
College support	2,028,071	-	2,028,071
Supporting services			
Management and general	428,991	-	428,991
Fundraising	328,730	-	328,730
TOTAL EXPENSES	4,474,109	-	4,474,109
Change in Net Assets	1,424,711	5,412,063	6,836,774
Net Assets - Beginning of Year	2,173,519	51,212,787	53,386,306
Net Assets - End of Year	\$ 3,598,230	\$ 56,624,850	\$ 60,223,080

See accompanying notes to financial statements

CABRILLO COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program				
	Scholarships and Awards	College Support	Management and General	Fundraising	Total
Program Services					
Scholarships and awards	\$ 1,672,622	\$ -	\$ -	\$ -	\$ 1,672,622
College support	-	1,744,643	-	-	1,744,643
Supporting Services					
Salaries	134,513	234,248	294,183	141,840	\$ 804,784
Employee benefits	44,118	76,829	96,487	46,521	263,955
Payroll taxes	10,136	17,651	22,167	10,688	60,642
Insurance	1,228	1,228	5,753	1,226	9,435
Printing	4,039	4,039	6,059	6,058	20,195
Consultants	-	-	48,142	-	48,142
Office supplies	2,326	2,326	5,150	2,328	12,130
Office equipment	400	400	400	400	1,600
Software and maintenance	9,119	9,119	9,119	9,119	36,476
Postage and delivery	1,901	1,901	1,901	6,970	12,673
Bank charges	-	-	11,156	-	11,156
Miscellaneous	-	-	11,086	186	11,272
Training	1,771	1,771	7,084	7,084	17,710
In-kind supplies/materials	-	30,227	-	-	30,227
Occupancy	6,417	6,417	6,417	6,416	25,667
Public relations	-	-	-	85,905	85,905
Board-directed funding	-	315,000	-	-	315,000
TOTAL EXPENSES	\$ 1,888,590	\$ 2,445,799	\$ 525,104	\$ 324,741	\$ 5,184,234

CABRILLO COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program				
	Scholarships and Awards	College Support	Management and General	Fundraising	Total
Program Services					
Scholarships and awards	\$ 1,467,052	\$ -	\$ -	\$ -	\$ 1,467,052
College support	-	1,654,954	-	-	1,654,954
Supporting Services					
Salaries	148,791	217,744	231,424	126,330	724,289
Employee benefits	34,711	80,427	83,746	34,740	233,624
Payroll taxes	8,003	18,523	21,269	8,795	56,590
Insurance	1,502	3,479	4,272	1,702	10,955
Printing	3,349	3,349	11,121	3,347	21,166
Consultants	8,110	8,110	12,169	12,169	40,558
Advertising	167	167	251	251	836
Office supplies	-	-	7,745	202	7,947
Office equipment	417	417	782	414	2,030
Software and maintenance	8,588	8,588	8,588	8,575	34,339
Postage and delivery	3,045	3,045	3,530	3,044	12,664
Bank charges	1,222	1,222	1,223	4,481	8,148
Miscellaneous	3,360	3,350	3,350	3,315	13,375
Training	-	-	7,124	-	7,124
In-kind supplies/materials	-	-	32,397	48,636	81,033
Occupancy	-	24,696	-	125	24,821
Public relations	-	-	-	72,604	72,604
TOTAL EXPENSES	\$ 1,688,317	\$ 2,028,071	\$ 428,991	\$ 328,730	\$ 4,474,109

CABRILLO COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 12,385,286	\$ 6,836,774
Adjustments to reconcile changes in net assets to net cash		
Unrealized gain on investment	(5,605,230)	(3,534,666)
Change in valuation of split interest agreements	3,246	38,679
Change in operating assets and liabilities		
Contributions receivable, net	(34,264)	9,267
Accounts receivable	67,014	(385)
Prepaid and other assets	(16,873)	2,814
Scholarships, payables and accrued compensation	193,014	(132,938)
Unfunded pension obligation	(113,539)	(40,572)
Other post-employment benefits	10,940	(3,510)
Net Cash Provided by/(Used in) Operating Activities	6,889,594	3,175,463
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(31,095,569)	(15,941,759)
Proceeds from sale of investments	24,489,112	13,074,818
Net Cash Provided by/(Used in) Investing Activities	(6,606,457)	(2,866,941)
Net Increase/(Decrease) in Cash and Cash Equivalents	283,137	308,522
Cash and Cash Equivalents - Beginning of Year	4,563,490	4,254,968
Cash and Cash Equivalents - End of Year	\$ 4,846,627	\$ 4,563,490
Supplemental data for noncash investing activities:		
In-kind contributions	\$ 55,894	\$ 105,854

See accompanying notes to financial statements

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization: The Cabrillo College Foundation (the "Foundation") was incorporated in the State of California in 1965, as a nonprofit public benefit corporation. The Foundation was organized to operate for the advancement of education, to provide financial support to students and various programs of Cabrillo Community College District (the "District"), and to provide a link between the District and the community.

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Foundation's audited financial statements for the year ended June 30, 2026 and 2025, from which the summarized information was derived.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

Basis of Presentation: The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

All donor-restricted contributions are recorded as increases in net assets with donor restrictions. When a restriction expires, either by the passage of time or the purpose is satisfied, the net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as "net assets released from restrictions."

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Possible expirations of net assets with donor restriction are (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with original maturity dates of three months or less as cash equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. The Foundation strives to maintain cash balances in financial institutions which are insured up to \$250,000. At June 30, 2026 and 2025, bank balances in excess of Federal depository insurance coverage were \$176,159 and \$422,111, respectively.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Investments: Investments in marketable securities are carried at fair value. Net change in the fair value of investments, which consists of realized gains/(losses) and the unrealized gains/(losses) of those investments is reported in the statement of activities and changes in net assets. Investment income, which consists of interest, dividends, realized gains/(losses) and the unrealized gains/(losses) of those investments, is reported in the statement of activities and changes in net assets. Investment income is accrued as earned. Security transactions are recorded on a trade date basis.

Land Held for Investments: Land held for investments is carried at the lower of cost or fair value. Declines in the value of the investment is recognized if the aggregate fair value is less than the carrying amount, recoveries of aggregate fair value in subsequent periods is recorded in those periods subject only to the limitation that the carrying amount shall not exceed the original cost.

Net Assets: Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purpose from time to time.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Accounts Receivable: Accounts receivable consist primarily of noninterest-bearing amounts due for services performed. The Foundation does not consider that the allowance for doubtful accounts is necessary as management believes all receivables are collectible. Uncollectible receivable will be written off in the year it deemed uncollectible. As of June 30, 2026 and 2025, no amounts were written off.

Revenue Recognition: An investment management fee is charged by the Foundation and recognized as the services are performed for the management of the endowment. Unconditional grants and contributions are recognized when promised and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Management believes all contributions are collectible and no allowance for doubtful accounts is necessary. Contributions are written off when deemed uncollectible. As of June 30, 2026 and 2025, no contributions were written off.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Equipment: Equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed on the straight-line method based on the assets' estimated useful lives ranging from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation expense for the years ended June 30, 2026, and 2025 were \$-0- and \$-0-, respectively.

Assets Held and Liabilities Under Split-Interest Agreements

Charitable Trusts

The Foundation has been named as a beneficiary in various revocable and irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. If a trust is revocable, or if the maker of the trust reserves the right to replace the Foundation as the beneficiary of the trust asset, the asset is not recorded. If the trust is irrevocable, and the amount to be received is known, the trust assets are recorded as a receivable. When the trust asset is distributed, any funds in excess of the receivable is recorded as a contribution.

Charitable Gift Annuities

Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets. Contributed assets are recorded at fair value on the date of receipt. Payments to the annuitant are made through a third party. Annually during the course of the audit the balance of the annuity is updated with the balance of assets remaining.

In-kind Contributions: In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

In-kind contributions for the years ended June 30, 2026 and 2025, are as follows:

	2026	2025
Occupancy - allocated to programs and supporting services	\$ 25,667	\$ 24,821
Supplies and materials - restricted for program use	30,227	81,033
Total	<u>\$ 55,894</u>	<u>\$ 105,854</u>

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

In-kind Contributions, continued: Office space was provided by the District on behalf of the Foundation. The valuation is based on the square footage of the office space at the market price that they would have to pay if not contributed. Donated supplies and materials include items donated to the Foundation for the use of the Foundation or the District. The value of the supplies and materials is based on the fair value of the same or similar products in the local market.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Income Taxes: The Foundation is a nonprofit corporation exempt from income taxes under Section 501(c) (3) of the *Internal Revenue Code*. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (A) (vi). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service (IRS). In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Foundation determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Functional Allocation of Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Financial Instruments and Credit Risk: Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from other foundations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by the Foundation and Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

NOTE 2 – CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give, which have been made by donors, but not received. Discounting for contributions receivable in two to five years was not performed as the amount of the discount was immaterial. Contributions receivable at June 30, 2026 and 2025 were as follows:

	2026	2025
Receivable within one year	\$ 128,949	\$ 94,685
Total contributions receivable, net	\$ 128,949	\$ 94,685

For the year ended June 30, 2026, three receivable balances provided approximately 80% of total net contributions receivable. Conditional promises to give are recognized only when the conditions are substantially met. Conditional promises that are not recorded as of June 30, 2026, consist of amounts for which the Foundation has been notified of being named a beneficiary of various estates with an expected value of approximately \$36,045,868. This amount is not recorded in the financial statement because they are revocable planned gifts.

NOTE 3 – SPLIT-INTEREST AGREEMENTS

The Foundation is a beneficiary of a charitable lead trust, a charitable remainder trust, and several charitable gift annuities. The charitable lead trust provides annual payments to the Foundation until the trust terminates. The charitable gift annuities are assets contributed by the donors. The split interest agreements are reported at fair value. The split interest agreements are revalued on an annual basis, and the change in the net present value is recorded as a gain or loss in the statement of activities and changes in net assets. At June 30, 2026 and 2025, the beneficial interest was valued as follows:

	2026	2025
Split-interest agreements		
Charitable gift annuities	\$ 12,804	\$ 11,639
Charitable trusts	-	4,411
Total	\$ 12,804	\$ 16,050

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 4 – RELATED PARTY TRANSACTIONS

Foundation board members donated a total of \$284,862 to the Foundation during the fiscal year ended June 30, 2026.

NOTE 5 – INVESTMENTS

Investments are stated at fair market value and consist of the following:

	2026	2025
Investments	\$ 70,539,804	\$ 58,328,117
Investments - cash equivalents	4,310,880	3,691,656
Total investments	74,850,684	62,019,773
Cash	535,747	871,834
Total cash, cash equivalents, and investments	\$ 75,386,431	\$ 62,891,607

	2026	2025
Funds invested in common stock	\$ -	\$ 7,459,191
Funds invested in fixed income securities	7,245,676	5,826,039
Funds invested in U.S. Government Securities	4,246,643	5,849,414
Funds invested in closed end funds, structured products and action rights	43,351,329	28,215,919
Funds invested in real estate	915,245	612,247
Funds invested in managed certificates of deposits and money markets	2,845,488	2,372,899
Funds invested in mutual funds	11,935,423	7,992,408
Total	\$ 70,539,804	\$ 58,328,117

Investment activity for the year ended June 30, 2026 and 2025, consisted of the following:

	2026	2025
Realized gains/(losses) on investments	\$ 4,255,413	\$ 2,076,725
Unrealized gains/(losses) on investments	1,349,817	1,457,941
Interest and dividends	1,469,388	1,403,428
Gain/(loss) on split interest agreements	147,709	67,618
Total investment income/(loss)	7,222,327	5,005,712
Investment expenses - investment fees	(174,660)	(167,542)
Investment expenses - management fees	(859,425)	(757,191)
Total investment income/(loss), management fees, net of investment expenses and investment fees	\$ 6,188,242	\$ 4,080,979

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that future changes in risks could materially affect account balances and the amounts reported in the accompanying financial statements.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 5 – INVESTMENTS, continued

Investment Policies

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the index, or blended market index that most closely corresponds to the style of investment management selected and agreed upon by the Finance Committee. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7.0 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Endowment's spending policy has a target distribution rate of 4.0% will be calculated over a trailing 12-quarter period for endowment funds with a current market value that is greater than or equal to 80% of the historical gift balance. This policy provides for more consistent and predictable spending for the programs supported by the Foundation and has the benefit of mitigating extreme market outcomes. To meet the target distribution rate of 4% and preserve the long-term, real purchasing power of assets, the Endowment will seek a 7% - 8% target return (4.0% distribution rate + CPI + 1.5% management fee. The average U.S. inflation rate as measured by CPI over the last 30 years is 2.5%).

Endowment Fund Corpus: The Cabrillo College Foundation's Endowment (the Endowment) consists of approximately 476 individual funds established by donors to provide annual funding for specific activities. The Endowment also include certain net assets with donor restrictions that have been designated by the Board of Directors.

The Board of Directors has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. As of June 30, 2026, and 2025, there were no explicit donor stipulations to the contrary. The spending policy allows the Foundation to spent up to 20% of the corpus. The Foundation considered the long-term expected return on its endowment as a result of this interpretation.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 5 – INVESTMENTS, continued

Investment Policies, continued

At June 30, 2026 and 2025, endowment net asset composition by type of fund is as follows:

	Accumulated		
	Corpus	Earnings	Total
June 30, 2026			
Board-designated endowment funds	\$ 369,190	\$ 2,833	\$ 372,023
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	48,697,858	15,278,758	63,976,616
Total Endowment Funds	<u>\$ 49,067,048</u>	<u>\$ 15,281,591</u>	<u>\$ 64,348,639</u>
June 30, 2025			
Board-designated endowment funds	\$ 369,190	\$ 288,502	\$ 657,692
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	42,362,904	7,474,829	49,837,733
Total Endowment Funds	<u>\$ 42,732,094</u>	<u>\$ 7,763,331</u>	<u>\$ 50,495,425</u>

NOTE 6 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise the following:

	2026	2025
Operating cash	\$ 535,747	\$ 871,834
Contributions receivable	128,949	94,685
Accounts receivable	103	67,117
Operating investments and cash equivalents	4,310,880	3,691,656
Total	<u>\$ 4,975,679</u>	<u>\$ 4,725,292</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, certificates of deposit (CDs), and money market funds. Annually, the Board designates a portion of any operating surplus to its nine-month operating reserve.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 7 – EQUIPMENT

Property and equipment at June 30, 2026 and 2025, consisted of the following:

	2026	2025
Equipment	\$ 36,303	\$ 36,303
Accumulated depreciation	(36,303)	(36,303)
Total	\$ -	\$ -

NOTE 8 – SCHOLARSHIPS, PAYABLES AND ACCRUED COMPENSATION

Scholarships, payables and accrued compensation represent unconditional promises made by the Foundation and are due as follows:

June 30, 2026	College Support & Scholarships	Accrued Compensation	Accounts Payable	Total
Payable in within one year	\$ 1,000,691	\$ 100,139	\$ 228,516	\$ 1,329,346
Payable in two to five years	805,958	-	-	805,958
Payable in more than five years	210,000	-	-	210,000
Total payable	\$ 2,016,649	\$ 100,139	\$ 228,516	\$ 2,345,304

June 30, 2025	College Support & Scholarships	Accrued Compensation	Accounts Payable	Total
Payable in within one year	\$ 936,640	\$ 70,981	\$ 187,634	\$ 1,195,255
Payable in two to five years	747,035	-	-	747,035
Payable in more than five years	210,000	-	-	210,000
Total payable	\$ 1,893,675	\$ 70,981	\$ 187,634	\$ 2,152,290

NOTE 9 – FAIR VALUE MEASUREMENT AND DISCLOSURES

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 9 – FAIR VALUE MEASUREMENT AND DISCLOSURES, continued

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Foundation invests in CDs traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The fair values of beneficial interests in charitable and perpetual trusts are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. These are considered Level 3 measurements.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis: The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2026 and 2025. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2026 and 2025.

June 30, 2026	Level 1	Level 2	Level 3	Total
Funds invested in				
Foreign/corporate/municipal issues	\$ 11,935,423	\$ -	\$ -	\$ 11,935,423
U.S. Government securities	-	4,246,643	-	4,246,643
Closed end funds, structured products and action rights	43,351,329	-	-	43,351,329
Real estate	-	915,245	-	915,245
Managed certificates of deposits and money markets	206,533	-	-	206,533
Mutual funds	7,039,143	-	2,845,488	9,884,631
Total	\$ 62,532,428	\$ 5,161,888	\$ 2,845,488	\$ 70,539,804

June 30, 2025	Level 1	Level 2	Level 3	Total
Funds invested in				
Common stock	\$ 7,459,191	\$ -	\$ -	\$ 7,459,191
Foreign/corporate/municipal issues	7,992,408	-	-	7,992,408
U.S. Government securities	-	5,849,414	-	5,849,414
Closed end funds, structured products and action rights	28,215,919	-	-	28,215,919
Real estate	-	612,247	-	612,247
Managed certificates of deposits and money markets	199,723	-	-	199,723
Mutual funds	5,626,316	-	2,372,899	7,999,215
Total	\$ 49,493,557	\$ 6,461,661	\$ 2,372,899	\$ 58,328,117

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 10 – NET ASSETS

At June 30, 2026 and 2025, net assets without donor restrictions consisted of the following:

	2026	2025
Designated		
Hurd tribute	\$ 255,759	\$ 255,758
President's circle	10,000	10,000
Computers	15,000	15,000
Retiree medical benefits	143,603	132,753
Operating reserve	1,584,485	1,122,749
Board directed fund	747,057	-
Strategic reserve fund	1,000,000	-
Undesignated		
Undesignated	131,581	2,061,970
Total	<u>\$ 3,887,485</u>	<u>\$ 3,598,230</u>

At June 30, 2026 and 2025, net assets with donor restrictions consist of the following scholarship and college support non-endowed and endowed funds:

	2026	2025
With Donor Restrictions		
Endowed scholarships and college support funds available	\$ 3,559,408	\$ 3,213,985
Endowed accumulated earnings	11,722,183	7,474,829
Subtotal	15,281,591	10,688,814
Non-endowed scholarships and college support funds available	4,372,242	3,573,133
Subtotal	19,653,833	14,261,947
Endowment corpus	49,067,048	42,362,903
Total net assets with donor restrictions	<u>\$ 68,720,881</u>	<u>\$ 56,624,850</u>

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 10 – NET ASSETS, continued

At June 30, 2026 and 2025, endowment net assets, for which investment and interest earnings may be used for scholarships and college support and consist of the historical gift balance of the endowed funds, are allocated as follows:

June 30, 2026	Corpus	Accumulated Earnings	Total
Endowment Funds			
Board designated-at year end	\$ 369,190	\$ 2,833	\$ 372,023
Donor restricted beginning of year	\$ 41,993,713	\$ 841,641	\$ 42,835,354
Contributions	6,704,145	2,834,712	9,538,857
Scholarships and college support	-	(3,416,938)	(3,416,938)
Investment earnings/(loss)	-	5,205,641	5,205,641
Appropriated funds	-	(7,231)	(7,231)
Investment and management fees	-	(26,240)	(26,240)
Beginning balance adjustment	-	9,847,173	9,847,173
End of year	<u>\$ 49,067,048</u>	<u>\$ 15,281,591</u>	<u>\$ 64,348,639</u>

June 30, 2025	Corpus	Accumulated Earnings	Total
Endowment Funds			
Board designated-at year end	\$ 369,190	\$ 288,502	\$ 657,692
Donor restricted beginning of year	\$ 39,968,194	\$ 2,714,350	\$ 42,682,544
Contributions	2,025,519	130	2,025,649
Scholarships and college support	-	(1,955,757)	(1,955,757)
Investment earnings/(loss)	-	840,109	840,109
Investment and management fees	-	(757,191)	(757,191)
End of year	<u>\$ 42,362,903</u>	<u>\$ 1,130,143</u>	<u>\$ 43,493,046</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events by the donors as follows for the years ended June 30, 2026, and 2025:

	2026	2025
Satisfaction of purpose restrictions		
Scholarships and college support	<u>\$ 3,464,074</u>	<u>\$ 3,351,219</u>

**CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 11 – UNFUNDED PENSION OBLIGATIONS

California Public Employees' Retirement System (CalPERS)

Plan Description

The Foundation offers eligible employees retirement benefits with CalPERS. Employees become eligible starting the first day of employment if one of the following criteria is met:

- Employee's position is full-time, seasonal, or limited term and is more than six months,
- Employee's part-time position exceeds 1,000 hours in one fiscal year, or
- Employee is a member of CalPERS by previous employment (either has funds on deposit or service credit).

The Public Employees' Retirement Law (Part 3 of the California Government Code, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The Foundation pays the required employer contribution, and CalPERS eligible employees contribute their required contribution. The retirement calculation for Foundation employees is as follows:

- First Level (Classic Members): Eligible employees hired prior to April 1, 2006, have a retirement benefit formula of 2% at 55 with a required employee contribution rate of 7.0%.
- Second Level (Classic Members): Eligible employees hired on or after October 1, 2011, through December 31, 2012, have a retirement benefit formula of 2% at 60 with a required employee contribution rate of 7.0%.
- PEPPRA New Members: Eligible employees hired on or after January 1, 2013 (under the Public Employees' Pension Reform Act), have a retirement benefit formula of 2% at 62 with a required employee contribution rate of 7.75%.

The rates are based upon an actuarially determined rate, and the actuarial methods and assumptions used for determining those rates are those adopted by the CalPERS Board of Administration.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 11 – UNFUNDED PENSION OBLIGATIONS, continued

Plan Valuation

Accounting Standards Codification (ASC) 718-80-35-2 requires employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability when reasonably estimable.

The plan is a Multiple Employer Plan where the net pension liability is allocated to the plan based on the valuation date of June 30, 2026 and 2025. Its proportion of the CalPERS Miscellaneous Risk Pool is summarized as follows:

	CalPERS - Miscellaneous Employer Pool		
	First Tier	Second Tier	PEPRA New Members
Enroll Effective Date	April 1, 2006	October 1, 2011	January 1, 2013
Benefit formula	2.00% at 55	2.00% at 60	2.00% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	60
Required employee contribution rates	7.00%	7.00%	7.75%
Required employer contribution rates:	N/A	N/A	N/A
Required unfunded liability payments to CalPERS:		\$129,045	

Actuarial Assumptions and Sensitivity to Changes in the Discount Rate

The actuarial assumptions include: a discount rate of 6.90%, inflation of 2.30%, and is based on the entry age normal methodology. The following presents the net pension liability of the plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%), or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 938,298	\$ 477,773	\$ 284,797

The Foundation made employer contributions to CalPERS for fiscal year ended June 30, 2026, and 2025, in the amount of \$129,045 and \$99,086, respectively.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

The Foundation has a defined benefit post-employment health care benefits plan that provides health care benefits to Administrators and their spouses hired on or before August 19, 2009, who retire from the Foundation upon obtaining a certain age and years of service. The following is a table of plan participants on June 30, 2026, the most current actuarial study measurement:

	Number of Participants
Retirees currently receiving benefits	-
Active employees eligible for future benefits	1
	<u>1</u>

Approximately 100% of the other post-employment benefits obligation amount as of June 30, 2026, has been set aside, however, for it to be legally considered “funded” it would need to be in an irrevocable trust. At the Finance Committee meeting on October 10, 2019, the Finance Committee approved a motion to annually set aside an amount equal to the annual increase in the liability after the operational reserve is fulfilled and until such time as the designated amount reaches 100% of the liability.

Annual OPEB Cost and Net OPEB Obligation

The Foundation’s other post-employment benefit (OPEB) cost (expense) is calculated based on an actuarially determined amount in accordance with parameters of FASB ASB 713. The objection represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial accrued liabilities. Based on an actuarial study performed as of June 30, 2026, and updated every three years, the Foundation’s had a other post employment benefits obligation of \$143,603 as of June 30, 2026.

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The plan is not funded by an irrevocable trust and, therefore, no table of changes in funding progress is presented.

CABRILLO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS, continued

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation as of June 30, 2026, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.70 percent investment rate of return (net of administrative expenses). Healthcare cost trend rates were estimated at 4 percent.

NOTE 13 – SUBSEQUENT EVENTS

The Foundation concluded that no subsequent events have occurred from June 30, 2026, to 2026, the date of the financial statements, that would require recognition or disclosure in the financial statements.

MEMORANDUM

DATE: September 28, 2026
TO: Audit Committee
FROM: Patrick Andrews
SUBJECT: 2025-26 Cabrillo College Foundation Audit Schedule

The following is a projection for the 2025-26 Cabrillo College Foundation audit process:

March 2-13, 2026	Staff uploads audit requests to the CWDL portal
July 8, 2026	Auditor meets with Audit Committee to review how the audit will be conducted. Kyle Holtz and Alicia Hernandez from CWDL will attend meeting.
July through August 7th	Staff uploads audit requests to the CWDL portal
Week of August 24, 2026	Cabrillo College Foundation remote audit.
Week of September 21, 2026	Foundation receives proposed audit adjustments and audit draft for review by Patrick Andrews and Eileen Hill
September 28, 2026	Foundation receives final audit draft for review by Patrick Andrews and Eileen Hill
October 5, 2026	Audit Committee meets to review/accept audit draft. Representative(s) of Audit firm will attend meeting.
October 15, 2026	Executive Committee receives e-mail audit draft for review prior to Executive Committee meeting.
October 22, 2026	Executive Committee receives recommended audit draft for review and acceptance.
November 2, 2026	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 10, 2026	Cabrillo College Foundation Board of Directors meet to accept audit. Representative(s) of audit firm will attend meeting.

2026-27 Cabrillo College Foundation Committee Meetings and Events

July 1, 2026 - June 30, 2027

Updated 8/13/26

<u>BOARD OF DIRECTORS</u> <i>Tuesdays, 12:00-2:00 pm</i> New Member Orientation August 17, 2026 12:00 - 2:00 pm Sesnon House Meetings: September 8, 2026 (4:00 pm - 6:00 pm) November 10, 2026 February 9, 2027 May 11, 2027 <u>AUDIT</u> July 8, 2026 11:00 am - 12:00 pm <u>EXECUTIVE</u> August 21, 2026 11:30 am - 1:00pm October 22, 2026 9:00 - 10:00 am January 21, 2027 9:00 - 10:00 am April 22, 2027 9:00 - 10:30 am <u>FINANCE AND INVESTMENT</u> <i>9:00-10:30 am</i> August 13, 2026 October 13, 2026 January 14, 2027 April 1, 2027 <u>NOMINATING</u> TBD <u>PRESIDENT'S CIRCLE</u> September 15, 2026 5:00 pm (kick-off party) October 2026 TBD (packet pick up) May 2027 TBD 5:00 pm – 7:00 pm (wrap-up party)	<u>FACULTY GRANTS</u> Fall, 2026 TBD <u>WOMEN'S EDUCATIONAL SUCCESS (WES)</u> September 18, 2026 12:00 pm – 1:00 pm (Luncheon) Samper Recital Hall Kick-off Meeting May 2027 TBD 11:00 am - 12:00 pm Sesnon House <u>SCHOLARSHIP</u> TBD <u>CABRILLO ADVANCEMENT PROGRAM</u> TBD <u>STUDENT VETERANS ENDOWMENT</u> October 7, 2026 11:00 am 12:00 pm November 4, 2026 12:00 - 1:00 pm (SVE Donor luncheon) December 10, 2026 11:00 am - 12:00 pm <u>STROKE AND DISABILITY CENTER</u> August 20, 2026 12:00 pm - 12:45 pm (Kick-off meeting) April 2027 (TBD) Friends of the SDLC Donor Reception <u>CABRILLO STAGE</u> October 21, 2026 11:00 am - 12:00 pm (Kick-off meeting) August 2027 (TBD) Behind the Curtain Donor Event	<u>EXCLUSIVE EVENTS FOR PRESIDENT'S CIRCLE MEMBERS</u> Cabrillo Stage Play and PC Reception <i>\$1,000+ Members</i> July 19, 2026 12:30 pm Lunch with Cabrillo College President <i>\$5,000 + Members</i> Spring 2027 TBD 12:00 - 1:30 pm Sesnon House Tapas with Teachers <i>\$1,500+ Members</i> Spring 2027 TBD 5:00 - 7:30ure Center Culinary Student Showcase <i>\$2,500+ Members</i> Spring 2027 TBD 6:00 - 8:00 pm Sesnon House Curated Cabrillo Experience <i>\$15,000+ Members</i> Spring 2027 TBD Dinner Party at the home of a Foundation Donor <i>\$10,000+ Members</i> Summer 2027 TBD 5:00 pm	<u>EVENT DATES</u> Retiree Happy Hour October 13, 2026 4:00 pm – 6:00 pm Sesnon House President's Holiday Party December 4, 2026 5:00 PM Sesnon House Faculty and Staff Grants Awards January 2027 TBD 4:00 pm – 6:00 pm Sesnon House Cabrillo Advancement Program (CAP) Ceremony March 2027 TBD 6:00 pm Crocker Theater Heritage Club Lunch Spring 2027 TBD 12:00 pm – 1:30 pm Sesnon House American Dream Scholarship Ceremony May 2027 TBD 4:00 - 5:00 pm
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2026-27 Cabrillo College Foundation Committee Roster – Updated 8/31/2026

BOARD OF DIRECTORS

Blanca Baltazar-Sabbah,
VP Student Services
Michele Bassi, Past
President
Claire Biancalana
Jenn Capps, CC President
Karen Cogswell, CFO
Freny Cooper
Kathryn Cowan
Christina Cuevas, College
Trustee
Angelo DeBernardo
Sesario Escoto
Duf Fischer
Jan Furman
Omar Gonzalez-Benitez
Gwen Kaplan
Diane Marvin Koenig
Vance Landis
Rick Li Fo Sjoie
Robin McFarland, Interim
VP Instruction
Keith McKenzie
Bill Miller
Rock Pfothhauer
Cory Ray, Vice President
Brie Reiter Smith
Ron Sekkel
Ginny Solari Mazry
Rachael Spencer, Secretary
Trevor Strudley
Julie Thiebaut, President
Roy Vasquez, VP Finance
and Administrative Services
Susan Westman
Kristin Wilson, Faculty
Representative

AUDIT

Chair: Karen Semingson
David Heald
Ron Sekkel
Staff: Eileen Hill
Patrick Andrews

EXECUTIVE

Michele Bassi, Past
President
Karen Cogswell, CFO
Cory Ray, Vice President
Rachael Spencer, Secretary
Julie Thiebaut, President
Jenn Capps, CC President
Staff: Eileen Hill
Patrick Andrews

FINANCE & INVESTMENTS

CFO: Karen Cogswell
Pegi Ard
Owen Brown
Marshall Delk
David Heald
Gun Ruder
Trevor Strudley
Staff: Eileen Hill
Patrick Andrews

CABRILLO ADVANCEMENT PROGRAM (CAP)

Chair: Carrie Birkhofer
Eva Acosta
Rob Allen
Enrique Buelna
Sesario Escoto
Omar Gonzalez-Benitez
June Padilla Ponce
Maria Esther Rodriguez
College Advisors:
Liz Dominguez
Michelle Donohue
Janette Lopez
Staff: Eileen Hill, Caitlin Bonura

FACULTY GRANTS

Owen Brown
Les Forster
Mary Gaukel
Omar Gonzalez-Benitez
Inga Gonzalez Moses
Francisco Iñiguez
Diane Koenig
Vance Landis
Rick Li Fo Sjoie
Ana Ruiz
David Schwartz
Ron Sekkel
Staff: Eileen Hill, Caitlin Bonura

NOMINATING

Michele Bassi
Claire Biancalana
Cory Ray
Julie Thiebaut
Rachel Wedeen
Lead Staff: Eileen Hill

PRESIDENT'S CIRCLE

Co-chairs:
Freny Cooper
Owen Brown
Kalena Allard
Mike Allard
Pegi Ard
Jim Baker
Ed Banks
Claire Biancalana
Linda Burroughs
Marilyn Calciano
Karen Cogswell
Kathryn Cowan
Arne Croce
Angelo DeBernardo
Kathy Doctor
Michelle Donohue-Mendoza
Lee Duffus
Kristin Fabos
Duf Fischer
Paula Fischer
Peggy Flynn
Jan Furman
Jackie Heald
Kent Imai
Diane Koenig
Julie Lambert
Vance Landis
Patty Lezin
Keith McKenzie
Fred McPherson
Annie Morhauser
Ed Newman
Erica Ow
William Ow
Rock Pfothhauer
Cam Primavera
Karen Primavera
Ron Sekkel
Ginny Solari Mazry
Rachael Spencer
Julie Thiebaut
Rachel Wedeen
Theo Wierdsma
Staff: Caitlin Bonura

SCHOLARSHIP

Chair: Rachael Spencer
Claire Biancalana
Jess Brown
Virginia Coe
Karen Cogswell
Kathryn Cowan
Angelo DeBernardo
Linda Downing
Adele Miller
Bill Miller
Corinne Miller
Julie Thiebaut
Rachel Wedeen
Jill Wilson
Staff: Caitlin Bonura

VETERANS COMMITTEE

JuanDiego Alvarez
Taylor Bearden
Flor Chacon
Ricardo Espinoza
Kristin Fabos
Les Forster
Mary Govaars
John Gaulty
Tera Martin
Angelica Martinez-Curiel
Linda Mejia
Stephanie Michelet
Andre Samayoa
Steve Schearer
Rachael Spencer
Donna Ziel
Staff: Eileen Hill, Jessie
Palmer

**WOMEN'S EDUCATIONAL
SUCCESS (WES)**

Co-chairs:

Cynthia Druley
Kathryn Cowan

Eva Acosta
Shannon Brady
Angela Chesnut
Chris Eckstrom
Edna Elkins
Cynthia FitzGerald
Peggy Flynn
Liz Foster
Robin Gaither
Amy Ivey
Gwen Kaplan
Jana Kast-Davids
Jessica Locatelli
Chris Maffia
Megan Martinelli
Alison McClure
Heather Morse
Rose Odland
Martina O'Sullivan
Gail Pellerin
Lynne Petrovic
Dinah Phillips
Casey Protti
Ginny Solari Mazry
Rachael Spencer,
cofounder
Rachel Wedeen
Susan Westman
Marni Williams
Patty Winters

WES Advisors:

David Alvarez-Gonzalez
Leti Amezcua
Lauren Cole
Olga Diaz
Mario Garcia
Holly Goodman
Judith Guerrero
Michelle Morton
Ana Rodriguez
Lupe Rodriguez
Magdalena Serrano
Marilyn Zanetti
Jenna Zeller
Staff: Caitlin Bonura

**STROKE AND DISABILITY
CENTER**

Committee Chair: Sally Weiss

Debora Bone
Cynthia FitzGerald
Penny Hanna
Courtney Hewitt
Jennie Jet D'Antonio
Beth McKinnon
Carol Sisk
Sue Seeger
Irene Segura
Elaine and Dennis Tracy
Merritt Tucker
Jodi Zenczak
Staff: Eileen Hill, Jessie Palmer

CABRILLO STAGE

Committee Chair: Andrea Hart

Dave Bartoletti
Gail Evans
Kelly Mack
Morgan Miller
Norah and Dave Miller
Staff: Eileen Hill, Jessie Palmer