



A Meeting of the Finance Committee

April 5, 2017 ❖ 1 P.M.

Allan Hancock College -Building B 102 (Captain's Room)
800 South College Drive, Santa Maria, California 93454

AGENDA

	Page
1. Call to Order	
2. Roll Call	
3. Public Comment	
<i>Public comment not pertaining to specific agenda items is welcome at this time. If you wish to speak to any item listed, please complete a Request to Speak Card available from the executive director. It is suggested that speakers limit themselves to 5 minutes.</i>	
4. Approval of Agenda (ACTION)	
4.A. Agenda for April 5, 2017	
5. Approval of Minutes (ACTION)	
5.A. Minutes of September 22, 2016 (M. Black, L-V. Cox, B. Lotwala, G. Walker)	1 - 4
5.B. Minutes of January 11, 2017 (M. Black, L-V. Cox, T. Lopez, G. Owen, G. Walker)	5 - 8
5.C. Minutes of February 23, 2017 (M. Black, L-V. Cox, T. Lopez, G. Owen, G. Walker)	9 - 10
5.D. Notes of March 16, 2017	11 - 12
6. Review and Approval of Financial Statements (ACTION)	13
6.A. Check Registers – 12/31/2016, 1/31/2017, 2/28/2017	14 - 24
6.B. Contributions Report – 2/28/2017	25
6.C. Statement of Operations – 2/28/2017	26
6.D. Balance Sheet – 2/28/2017	27
6.E. Portfolio Summary – 2/28/2017	28
6.F. General Operations Budget (Revised) – 2/28/2017	29 - 30
7. Committee Business	
7.A. Review Morgan Stanley and Northern Trust Benchmarks	31 -33
8. Date for Next Regular Finance Committee Meeting – July 12, 2017 (ACTION)	
8.A. A discussion to change the next scheduled meeting from July 12, 2017, to late June.	
9. Adjournment of Finance Committee (ACTION)	
In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Allan Hancock College Foundation office at (805) 925-2004. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.	



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April 5, 2017 ❖ 1 P.M.

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800 South College Drive, Santa Maria, California 93454

AGENDA

A handwritten signature in green ink, which appears to read 'Susan M. Houghton', is written over a horizontal line.

Susan M. Houghton
Executive Director, College Advancement

Committee Members:

Guy Walker, Treasurer
Michael Black, AHC Associate Superintendent/Vice President, Finance and Administration
Tom Lopez, Director
Glenn Owen, Director
Lee-Volker Cox, Director
Rick Velasco, Director

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE MEETING
Minutes of September 22, 2016**

A regular meeting of the Finance Committee was held on September 22, 2016, at 4:00 p.m. at Allan Hancock College, Building B – Room 202, 800 S. College Dr., Santa Maria, California.

1. MEETING CALLED TO ORDER

The meeting was called to order by Foundation Board Treasurer Guy Walker at 4:07 p.m.

2. ROLL CALL

Finance Committee members present: M. Black, L.-V. Cox, B. Lotwala, G. Walker

Finance Committee members absent: P. Hesse

College Staff: S. Houghton, K. Seyfert

Staff present: M. Cox

3. PUBLIC COMMENT

There were no requests from the public to address the committee.

4. APPROVAL OF AGENDA

Director Walker asked committee members to review the agenda for today's meeting and called for a motion to approve as submitted.

MOTION: On a motion by Director Lotwala, seconded by Director L.-V. Cox, the agenda was approved as submitted on a roll call vote as follows:

Ayes: Black, L.-V. Cox, Lotwala, Walker

Noes: None

Abstentions: None

5. APPROVAL OF MINUTES

5.A. Minutes of July 13, 2016

Director Walker asked committee members to review the minutes of July 13, 2016, and called for a motion to approve. On a motion by Director L.-V. Cox, seconded by Director Lotwala, the minutes were approved as submitted.

Ayes: Black, L.-V. Cox, Lotwala, Walker

Noes: None

Abstentions: None

6. INTRODUCTION OF MS. KELI SEYFERT, SUPERVISOR

Ms. Houghton invited Ms. Seyfert, Supervisor, Auxiliary Accounting Services, to attend the Finance Committee meeting along with future meetings. Ms. Houghton asked Mr. Black to introduce Ms. Seyfert. Mr. Black stated Ms. Seyfert was hired in 2006 and was recently promoted to supervisor of Auxiliary Accounting Services. She is responsible for the accounting of the foundation, ASBG, club and trust accounts, AHC Viticulture & Enology Foundation and was instrumental in obtaining the 501(c)3 status for the AHC Viticulture & Enology Foundation. The committee members welcomed Ms. Seyfert.

7. PORTFOLIO REVIEW

Reports were not distributed to the committee.

8. COMMITTEE BUSINESS

8.A. Contribution and Endowment Pathways: Staff provided handouts outlining how contributions are deposited with the various financial foundation accounts.

Contribution Pathways: Ms. Houghton reviewed the four choices of where a contribution can be deposited. A contribution can be cash, checks, credit cards, or automatic bank withdrawals and are deposited into one of the following accounts:

1) Rabobank checking account—process all foundation accounts payable and payroll;

- 2) Rabobank credit card account-- deposit credit card transaction and automatic bank withdrawals. Funds are transferred from the credit card account to the checking account approximately two times a year;
- 3) Heritage Oaks Bank savings account which annually averages two deposits. To date, HOB has waived over \$900 in bank fees when purchasing pre-paid VISA cards provided for students with emergencies.
- 4) Morgan Stanley Active Assets account—the account is similar to a money market account. Averages four \$25,000 or larger deposits a year. At the direction of the Finance Committee, funds received and designated as an endowment are transferred from Active Assets to the Morgan Stanley Putnum account.

Endowment Pathways: Ms. Houghton reviewed this handout and informed the committee that contributions designated for an endowment have five endowment pools. Three of the pools are presently receiving deposits depending on the designation. Two of the pools designated for the Florence Young Quasi-Endowment and the Patricia J. Boyd Endowments, do not receive deposits. A \$10,000 contribution or larger designated for an endowment is deposited in one of the following:

- 1) Morgan Stanley Actives Assets-- Mr. Eddie Murray, MS Financial Advisor, transfers the funds from MS Active Assets to the Morgan Stanley Endowment (Putnum) account at the direction of the Finance Committee.
- 2) LPL Financial (Lahr) – receives approximately 6 deposits a year when contributions are designated for the *Don Lahr Family Scholarship Endowment*. At the request of Mr. Lahr the investment is to be held at LPL Financial.
- 3) LPL Financial – The investment holds endowments and the foundation has not deposited funds into the account since its opening.
- 4) Northern Trust – Florence Young Quasi-Endowment – The investment was originally held at Vanguard. The late Mrs. Young bequeathed the account to the foundation which was recently moved to Northern Trust. The foundation has not deposited funds since receiving the investment.
- 5) Northern Trust, Rabobank Wealth Management and Morgan Stanley (Boyd restricted) – All three investments are restricted quasi-endowments funded by the Patricia J. Boyd Trust. Final distributions from the trust have been received.

Director Walker expressed his concern of having too many types of accounts and if there is a need for so many. Director L.-V. Cox researched Santa Barbara Foundation's financials and noted the foundation has three pools of funds: short-term, mid-term and long-term. The committee will continue discussing the multiple accounts.

8.B. Review of 5-year History of Assets: Staff distributed an investment and asset accounts report for each one of the foundation's investment and asset accounts. The report has a five-year history of proceeds, average 5-year earnings and the investment brokerage fees. The committee discussed long-term direction for accumulating and investing assets and the need for a list of college needs for knowing amounts of on-hand cash to retain.

8.C. New \$250,000 Hansen Endowment: In July 2016, the foundation received a \$250,000 bequest from the Hansen Trust. The late Mr. and Mrs. Norman Hansen established the *Hansen Engineering Scholarship Endowment* with an initial \$10,000 gift in March 2004. Mr. Hansen passed away in April 2004, and Mrs. Normal Hansen continued giving annually to the endowment until her passing in December 2014. Ms. Houghton met with the Hansen's niece Ms. Karen Wood and the contribution can be used as needed.

A new Hansen Memorial Endowment has been created and the funds have been transferred from Morgan Stanley Active Assets account to the Morgan Stanley Select UMA endowment account.

8.D. Endowment Funding 2016-2017: Staff provided spreadsheets reflecting the proposed endowment funding for 2016-2017. According to the foundation's endowment funding policy, the review date of June 30 shall be used each fiscal year to determine the endowment value for funding scholarships or programs. The foundation's Endowment Funding Policy states endowment funding can be 3%, 4% or 5% provided the endowment value does not fall below corpus value. Ms. Seyfert explained that the endowment value is determined by adding the principal and proceeds together then dividing by the principal and expressing as a percentage.

Staff reviewed the proposed endowment funding available for 2016-2017. Due to market conditions during the past year, the endowments funded approximately \$50,000 less than 2015-2016. The Finance Committee will make a recommendation to the Executive Committee to approve a total of \$294,200 in endowment funding for scholarships, programs and the operating budget from the following:

1. Fund regular endowments for \$144,492
2. Fund Title III endowments for \$61,550
3. Fund quasi endowments for \$84,400
4. Fund STEM Federal Grant endowments for \$3,758

MOTION: On a motion by Director L.-V. Cox, seconded by Director Black, the Finance Committee approved the 2016-2017 endowment funding proposal of \$294,200 for scholarships, programs and the operating budget. (Ayes: Black, L.-V. Cox, Lotwala, Walker; Noes: None; Abstentions: None)

8.E. Review of Investment Policy Statement Review and Approval: The Finance Committee reviews and updates the Investment Policy Statement annually. The purpose of the statement is to provide guidance on how to manage and invest the funds of the foundation.

The committee discussed researching best practices of acceptable investments, comparing the policy to other foundations, discern the objectives of the foundation, address the type of investments held—i.e. alcohol and tobacco investments, compare diversification and asset allocations against actuals, and define AHC's strategic funding vision and program needs.

The committee approved and signed the Investment Policy Statement with the caveat that the policy be reviewed and updated when the committee structure is updated.

MOTION: On a motion by Director Lotwala, seconded by Director L.-V. Cox, the Finance Committee approved the Investment Policy Statement with the caveat the policy will be reviewed and updated when the committee structure is updated. (Ayes: Black, L.-V. Cox, Lotwala, Walker; Noes: None; Abstentions: None)

8.F. Committee Fiscal Year 2016-17 Focus and Priorities: The committee reviewed and discussed the focus and priorities for the next year. The focus and priorities include reviewing and updating the Investment Policy Statement, reviewing the number of investment accounts recognizing the political dynamics of closing accounts, understanding the payout of scholarships and the program, requesting a list of prioritized priorities and needs from the college, identifying investment benchmarks, developing short-term, mid-term, and long-term fund pools, and defining the role of the Finance Committee.

9. Financial Statements

9.A. Summary of Portfolio Summary: The Portfolio Summary dated 7/31/2016, which reflects \$3,016,321 in general operations, restricted and scholarship funds; \$7,800,977 invested in endowment funds, and \$13,164,751 of the *Patricia J. Boyd Fund* invested at Rabobank Wealth Management, Northern Trust and Morgan Stanley. Staff mentioned the net assets as \$23,044,412.

Statement of Operations: For the period ending 6/30/2016, the fund balance for the general operations fund was \$289,766; the restricted fund was \$1,627,011, the scholarship fund was \$658,523, the endowment balance was \$18,582,136, and the endowment revenue/expense was \$996,709. The total fund balance for the period was \$22,154,144.

For the period ending 7/31/2016, the fund balance for the general operations fund was \$547,294; the restricted fund was \$1,693,171, the scholarship fund was \$662,574, the endowment balance was \$18,582,466, and the endowment revenue/expense was \$1,558,907. The total fund balance for the period was \$23,044,411.

Balance Sheet: For the period ending 6/30/2016, the total current assets were \$23,100,439, total current receivables were \$17,838, total liabilities were \$964,133, and total liabilities and fund balance were \$23,118,277.

For the period ending 7/31/2016, the total current assets were \$23,982,050, total current receivables were \$507, total liabilities were \$938,145, and total liabilities and fund balance were \$23,982,556.

Contributions Report: For the period of 7/1/2015 through 6/30/2016, the total contributions were \$1,766,065.

For the period ending 7/31/2016, the total contributions were \$343,343.

President's Circle Budget: The President's Circle budget for the period ending 6/30/2016, reflects an opening balance of \$129,261, total year-to-date income of \$46,701, expenses of \$50,583, accounts payable \$12,180 and net revenue/expense \$113,199. The report included the detailed expenses and revenue through 6/30/2016.

General Operations Budget: For the period of 7/1/2015 through 6/30/2016, the general operations budget statement, income for the year-to-date was \$215,335, with expenses of \$235,718 and the fund balance was \$289,766.

For the period ending 7/31/2016, the general operations budget statement, income for the year-to-date was \$273,202, which includes the Hansen gift and has since been transferred into an endowment. Expenses were \$15,674 and the fund balance was \$257,528.

Check Register: For the period ending 6/30/2016, and 7/31/2016.

MOTION: On a motion by Director L.-V. Cox, seconded by Director Black, the Finance Committee approved the financial statements as submitted. (Ayes: Black, L.-V. Cox, Lotwala, Walker; Noes: None; Abstentions: None)

DATE FOR NEXT MEETING

The next Finance Committee meeting will be scheduled in early 2017.

ADJOURNMENT

With no further business to bring before the Finance Committee, the meeting was adjourned at 6:05 p.m.

MOTION: On a motion by Director Black, seconded by Director L.-V. Cox, the meeting was adjourned at 6:05 p.m. (Ayes: Black, L.-V. Cox, Lotwala, Walker; Noes: None; Abstentions: None)

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE MEETING
Minutes of January 11, 2017**

A regular meeting of the Finance Committee was held on January 11, 2017, at 2:00 p.m. at Allan Hancock College, Building B – Room 202, 800 S. College Dr., Santa Maria, California.

1. MEETING CALLED TO ORDER

The meeting was called to order by Foundation Board Treasurer Guy Walker at 4:05 p.m.

2. ROLL CALL

Finance Committee members present: M. Black, L.-V. Cox, T. Lopez, G. Owen, G. Walker

Finance Committee members absent: R. Velasco

College Staff present: S. Houghton, K. Seyfert

Foundation Staff present: M. Cox, T. McCracken

3. PUBLIC COMMENT

There were no requests from the public to address the committee.

4. APPROVAL OF AGENDA

Director Walker asked committee members to review the agenda for today's meeting and called for a motion to approve as submitted.

MOTION: On a motion by Director Owen, seconded by Director T. Lopez, the agenda was approved as submitted on a roll call vote as follows:

Ayes: Black, Lopez, Owen, Walker

Noes: None

Abstentions: None

5. APPROVAL OF SEPTEMBER 22, 2016, MINUTES

The minutes of September 22, 2016, were tabled due to a lack of quorum and will be reviewed at the next meeting.

NOTE: L-V. Cox arrived at 2:20 p.m.

6. REVIEW AND APPROVAL OF FINANCIAL STATEMENTS (ACTION)

6.A. General Operations Budget: Ms. Houghton presented the revised the general operations budget for the period of 7/1/2016 through 12/31/2016. The committee recommended tabling the approval of the operating budget until further discussion.

6.B. Check Register: For the period ending 8/31/2016, 9/30/2016, 10/31/2016, and 11/30/2016. Director Owen recommended adding the description of the budget code to the check registers.

6.C. Contributions Report: For the period of 7/31/2016 through 12/31/2016, the total contributions were \$685,311.

6.D. President's Circle Budget: The President's Circle budget for the period ending 11/30/2016, reflects an opening balance of \$108,723, total year-to-date income of \$28,216, expenses of \$27,740, accounts payable \$11,328 and net revenue/expense \$97,871. Staff handed out a report of the detailed expenses and revenue through 11/30/2016.

6.E. *Statement of Operations*: For the period ending 11/30/2016, the fund balance for the general operations fund was \$360,318; the restricted fund was \$1,610,449, the scholarship fund was \$296,797, the endowment balance was \$18,879,040, and the endowment revenue/expense was \$1,455,742. The total fund balance for the period was \$22,642,215.

6.F. *Balance Sheet*: For the period ending 11/30/2016, the total current assets were \$22,634,090, total current receivables were \$11,271, total liabilities were \$3,145, and total liabilities and fund balance were \$22,645,361.

6.G. *Summary of Portfolio Summary*: The Portfolio Summary dated 11/30/2016, reflects \$1,380,620 in general operations, restricted and scholarship funds; \$8,026,000 invested in endowment funds, and \$13,227,469 of the *Patricia J. Boyd Fund* invested at Rabobank Wealth Management, Northern Trust and Morgan Stanley. Staff mentioned the net assets as \$22,642,216.

Director Walker added the committee should evaluate the need for all the different money managers, the growth of the investments, and the goals of the Foundation.

MOTION: On a motion by Director L.-V. Cox, seconded by Director Lopez, the Finance Committee approved the financial statements except for item 6.A. Amend General Operations budget. (Ayes: Black, L.-V. Cox, Lopez, Walker; Noes: None; Abstentions: Owen)

Staff handed out copies of the Foundation's audit for the period ending 06-30-2016, and will be included on the agenda for the January quarterly board meeting. Mr. Black noted that there were no deficiencies or findings.

7. COMMITTEE BUSINESS

7.A. *U.S. Department of Education's Endowment Challenge Grant – Title III Update and Recommendation*: Ms. Houghton provided the background information for the U.S. Department of Education's Endowment Challenge Grant Program - authorized by Title III of the Higher Education Act of 1965. AHC Foundation was responsible for raising the local matching funds. The grant is a 2-1 match where Title III provided \$500,000 and the match \$250,000 for a \$750,000 endowment. Because the federal matching funds were used to establish endowments, the AHCF is required for a term of twenty years to submit annual reports to the Department of Education and comply with specific federal guidelines, investment and expenditure of earnings guidelines. The expenditure guidelines state no more than 50% of the aggregate income earned can be used for *operations and maintenance; administration; academic and support personnel; construction and renovation; community and student services programs and technical assistance; and other education-related activities*. The starting date of the twenty-year term was established according to Title III guidelines as January 1998. The ending date of this term restriction is presumed to be upon notification of release to the AHCF from U.S. Department of Education after all reports have been filed and accepted.

The Foundation staff has consistently filed annual reports for the past 18 years. Reports were accepted, without question or comment. However, after personnel changes in the Department of Education, AHCF was recently notified that the grant guidelines were not being met. It appears that approximately 65% of the proceeds (as opposed to 50 % have actually been used. Foundation and College staff have reviewed how this might have occurred and the potential path forward.

The contact at the Office of Postsecondary Education, recognizing the lapse on their end, has indicated a willingness to work with the foundation by extending the term of the grant by 1 or 2 years. This will not impact future federal grant applications for the college and AHCF is listed in good standing. The grant guidelines state "*if an institution expends more than is permitted it shall repay an amount equal to 50% of the amount improperly expended*". Based on the last report dated June 30, 2016, the amount would have been \$67,057.

Foundation staff recommends the following corrective actions:

1. Ensure only 50% of revenues are expensed each year.
2. Evaluate the growth of the fund at end of fiscal year 2016-2017.
3. Waive the 1.5% administrative fee assessed to the Title III endowments for the 2016-17 fiscal year. A reduction of \$12,000 will occur to the Foundation's General Operations budget for this fiscal year.
4. Use Foundation Operation funds in lieu of Title III scholarship/program funding. This will allow the endowment value to grow and help offset the projected amount that may need to be returned. This results in an approximate increase of \$13,355 in expense to the Foundation's General Operations budget for this fiscal year.
5. Have the Foundation Operations budget include the brokerage fee expenses for this fiscal year. Staff will also negotiate with Morgan Stanley and LPL Financial a lesser fee and /or discontinue assessing brokerage fees to Title III endowments. The foundation operations budget will cover the brokerage fee expense of approximate of \$8,500.

After considerable committee discussion, the committee strongly agreed to execute good faith effort and immediate actions to correct the problem.

The committee recommended the corrective actions to resolve the Title III problem during fiscal year 2016-17.

MOTION: On a motion by Director Walker, seconded by Director Owen, the Finance Committee approved waiving the 1.5% administrative fee assessed to the Title III endowments and transferred to the foundation's fiscal year 2016-17 operating budget. A budget impact of approximately \$12,000 to the general operating budget. (Ayes: Black, L.-V. Cox, Lopez, Walker, Owen; Abstentions: None)

MOTION: On a motion by Director Lopez, seconded by Director Cox, the Finance Committee approved the Foundation's operating budget to fund the approved Title III scholarships/programs for fiscal year 2016-17. Impact to the operating budget is approximately \$13,355. (Ayes: Black, L.-V. Cox, Lopez, Walker, Owen; Abstentions: None)

MOTION: On a motion by Director Walker, seconded by Director Owen, the Finance Committee approved waiving the fiscal year 2016-17 brokerage fees to the Title III endowments. The impact to the Foundation's operating budget is approximately \$8,500. (Ayes: Black, L.-V. Cox, Lopez, Walker, Owen; Abstentions: None)

7.B. Request to Change Date of Endowment Value Date - The Foundation's Endowment Funding Policy currently states: *Review Date: The review date shall mean as of June 30 of the year in which endowment funding is to be awarded.*

The date of June 30 was a Finance Committee decision in October 2011. Prior to this change, endowment proceeds had been historically captured on September 30th. However, in 2011, due to market conditions, the board voted to review earlier each year. While this decision may have had alignment benefits to the Foundation's fiscal year, it has also caused a significant lag in the time when a fund's corpus is captured on June 30. The transfer of the scholarship proceeds into a holding fund occurs in December, an announcement of the award is made in May of the following year and the actual distribution of the money to the student occurs in August following the award announcement. This is a 14-month delay in which time proceeds significantly increase and more scholarships and programs could be funded/awarded. This year, approximately 10 scholarships are in danger of not meeting the 103% endowment minimum value threshold – forcing a decision to augment funding for these scholarships and/or not award.

Staff recommends a motion changing the Endowment Funding Policy Review/Capture date annually to November 30th. The Finance Committee would then review fund balances at the January meeting for approval of scholarship and program funding. Transfers would be made by June 30. There was consensus that the Finance Committee will also review in two years to assess the impact.

MOTION: On a motion by Director Lopez, seconded by Director Cox, the Finance Committee approved changing the Endowment Funding Policy Review/Capture date annually to November 30 with the understanding that transfers would be completed by June 30. (Ayes: Black, L.-V. Cox, Lopez, Walker, Owen; Abstentions: None)

7.C. *PCPA Request to Realign Proceeds of Marian Hancock Trust Funds* – Tabled.

7.D. *New Mileage Travel Requirement Update* – Tabled.

7.E. *Investment Policy Statement Review and Approval* – Committee Chair Walker reminded the committee to review the policy and be prepared to discuss any changes of the Foundation’s Investment Policy Statement. Director Cox offered to send the Santa Barbara Foundation’s investment policy to Ms. Houghton for review by the Finance Committee. Tabled for a future Finance Committee meeting.

7.F. *Review 2015-16 Endowment Funding and Scholarship/Program Status* – This was discussed as part of the agenda item 7.A. U.S. Department of Education’s Endowment Challenge Grant - Title III. No additional action taken.

8. **DATE FOR NEXT FINANCE COMMITTEE MEETING/INDIVIDUAL PORTFOLIO REVIEWS**

The committee scheduled two tentative February dates to invite the money manager advisors to update the committee on the investment portfolios. The two tentative dates are Thursday, February 9 or Thursday, February 23, from 10 a.m. to 1 p.m. The committee recommended each advisor’s presentation last no longer than 30 minutes. The committee will discuss the investment’s allocation, the foundation’s goals, and the number of investments.

The next regular Finance Committee meeting will be determined at the February meeting.

ADJOURNMENT

With no further business to bring before the Finance Committee, the meeting was adjourned at 4:10 p.m.

MOTION: On a motion by Director Owen, seconded by Director Lopez, the meeting was adjourned at 6:05 p.m. (Ayes: Black, L.-V. Cox, Owen, Walker; Noes: None; Abstentions: None)

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE MEETING
Minutes of February 23, 2017**

A regular meeting of the Finance Committee was held on February 23, 2017, at 9:45 a.m. at Allan Hancock College, Building A 300/400 – Room A401, 800 S. College Dr., Santa Maria, California.

1. MEETING CALLED TO ORDER

The meeting was called to order by Foundation Board Treasurer Guy Walker at 9:50 p.m.

2. ROLL CALL

Finance Committee members present: M. Black, L.-V. Cox, T. Lopez, G. Owen, G. Walker

Finance Committee members absent: R. Velasco

College Staff present: S. Houghton (arrived at 10:15 a.m.)

College Staff absent: K. Seyfert

Foundation Staff present: M. Cox

3. PUBLIC COMMENT

There were no requests from the public to address the committee.

4. APPROVAL OF AGENDA

Director Walker asked committee members to review the agenda for today's meeting and called for a motion to approve as submitted with a correction to the agenda numbering.

MOTION: On a motion by Director Owen, seconded by Director T. Lopez, the agenda was approved as submitted on a roll call vote as follows:

Ayes: Black, Lopez, Owen, Walker

Noes: None

Abstentions: None

5. DISCUSSION OF GOALS FOR THE MEETING

The committee briefly the goals of the meeting. Director Walker encouraged the committee to listen closely to the advisors, to gather information and determine if there is a need for four investment advisors. Director Owen asked who is responsible for comparing benchmarks to actual results for each investment and is it the responsibility of the committee to review the benchmark's analysis. Mr. Walker stated today's presentation will answer benchmark questions and the direction the committee will be taking in the future.

6. INVESTMENT ADVISORS 2016 PERFORMANCE REPORTS AND ADVISOR QUESTIONS

6.A. Morgan Stanley – Mr. Eddie Murray and Mrs. Jennifer Murray: Mr. Murray began by providing the committee with presentation binder and answering the investment review questions. The presentation binder is available for review in the foundation office.

The committee thanked Mr. Murray and Mrs. Murray for their presentation.

Mr. Black left the meeting at 10:20 a.m.

6.B. Monarch Wealth Strategies/LPL Financial – Mr. Aaron Clark - Mr. Clark began the presentation by distributing the presentation to the committee and answering the investment review questions. The presentation is available for review in the foundation office.

6.C. Northern Trust – Mr. Louis Pisacane - Mr. Pisacane began the presentation by providing the committee with the Investment Management Review packet and answering the investment review questions. The Investment Management Review packet is available for review in the foundation office.

In conclusion, Mr. Pisacane stated he would like to visit the Finance Committee once or twice annually. He thanked the committee for the opportunity to represent AHC.

6.D. *Rabobank Wealth Management – Mr. Todd McGinley* - Mr. McGinley and colleague Mr. Ron Chaison, CTFA, began the presentation by providing the committee with the Investment Review binder. The Investment Review binder available for review in the foundation office.

Mr. McGinley concluded his presentation with a review of the 2016 performance included in the binder.

7. Wrap up and Adjournment of Finance Committee (ACTION)

After brief discussion, the committee decided to schedule a Finance Committee meeting on March 16, 2017, at 10 a.m., to review today's investment advisors presentations.

With no further business to bring before the Finance Committee, the meeting was adjourned at 2:45 p.m.

MOTION: On a motion by Director Lopez, seconded by Director Walker, the meeting was adjourned at 2:45 p.m. (Ayes: L.-V. Cox, Lopez, Owen, Walker; Noes: None; Abstentions: None)

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE WORKSHOP MEETING
Notes of March 16, 2017**

A regular meeting of the Finance Committee was held on Thursday, March 16, 2017, at 10:00 a.m. at Allan Hancock College, 800 South College Drive, Student Center, Bldg. G – Room G106-B, Santa Maria, California.

1. Call to Order

The Finance Committee meeting was called to order at 10:03 a.m. by Foundation Board Treasurer Guy Walker.

2. Roll Call

Present: M. Black, L.-V. Cox, G. Owen, G. Walker, R. Velasco

Absent: T. Lopez

College Staff: S. Houghton, K. Seyfert

Foundation Staff: M. Cox

3. Public Comment

There were no requests from the public to address this committee meeting.

4. Approval of Agenda

Mr. Walker asked committee members to review the agenda for today's meeting and called for a motion to approve. Ms. Houghton noted the purpose of today's meeting is to discuss the path forward with the foundation's investments.

MOTION: On a motion by Director Owen, seconded by Director Velasco, the agenda was approved as amended on a roll call vote:

Ayes: M. Black, L.-V. Cox, G. Owen, G. Walker, R. Velasco

Noes: None

Abstentions: None

5. Review and Discussion of Investment Advisors 2016 Performance Reports and Presentations – Discussion Questions

1. What does the committee think about the differences in investment strategies and returns when comparing the four investment advisors?

The committee discussed Eddie and Jennifer Murray's presentation. The reports provided were informative. The 2016 actual returns were for the endowment account – 5.60%; Boyd fund 7.73% and Consulting Group Advisor (reserve) 8.69%.

Mr. Louis Pisacane, Northern Trust, presented the performance 2016 report reflected global return of 8.5%. Northern Trust holds approximately \$7.8 million investment. Mr. Pisacane did not recall receiving the foundation's Investment Policy. Since the presentation, he informed the foundation office he located the policy.

Mr. Todd McGinley's, Rabobank Wealth Management, gave his presentation. Mr. McGinley asked for clarification on when the Boyd investment will be accessed for the Fine Arts center.

LPL Monarch's presentation covered the \$1.4 million investment.

After all presentations, Director Owen asked where the foundation should consider consolidating all funds with one of the other investments to get the better brokerage fee based on breakpoints. Staff agreed to request breakpoints from the fund managers and to discuss the idea with the PCPA Foundation.

The committee also recommended written performance reports be provided before the meeting by each of the fund managers. The monthly reports emailed to staff should be forwarded to the committee, and an in-person performance be provided annually

The committee asked Felix Hernandez, Vice President of Facilities & Operations, to attend the Finance Committee meeting on April 5, 2017. Mr. Hernandez will be asked to update the committee on when the Boyd funds will be needed. It was noted Mr. Hernandez will address the full board on April 27, 2017.

The committee briefly discussed the foundation's Investment Policy. The policy does not address "socially responsible" investments. The committee recommended, in the future, inviting the investment advisors to make a presentation of acceptable "socially responsible" investments.

6. Next Meeting

The next regular meeting of the Finance Committee will be Wednesday, April 5, 2017, starting at 1:00 p.m. in building B102, Captain's Room, on the Santa Maria campus.

7. Adjournment

With no further business, the meeting was adjourned at 11:54 a.m.

Motion: On a motion by Director Cox, seconded by Director Owen, the meeting was adjourned at 11:54 a.m.

Ayes: M. Black, L.-V. Cox, G. Owen, G. Walker, R. Velasco
Noes: None
Abstentions: None

To: Finance Committee	ACTION
From: Guy Walker Chair, Finance Committee	April 5, 2017
Subject: Review and Approval of Financial Statements and Revised General Operations Budget	

BACKGROUND

1. A review of the Allan Hancock College Foundation financial statements. (ACTION)

- Check Registers – 12/31/2016, 1/31/2017, 2/28/2017
- Contributions Report – 2/28/2017
- Statement of Operations – 2/28/2017
- Balance Sheet – 2/28/2017
- Portfolio Summary – 2/28/2017

2. A review of the Foundation's current general operations budget. Staff will report on changes to the revenue and expenses for the budget. (ACTION)

--General Operations Budget (Revised) – 2/28/2017, see page 29.

Revenue

- A. *Administration Fee* – 1.5% reduced by \$11,800 (Title III adjustment)
- B. *Young Endowment* – See page 30 on proceed history for the Young Endowment. The foundation has the opportunity to utilize additional proceeds to augment the budget without affecting the corpus.

Expenses

- C. *Staff Salaries & Benefits* - \$12,271 increase for hiring Professional Expert and staff salary/benefits increase.
- D. *Public Relations* – Increase \$7,500. Community events appreciation gifts, auction items and 40th Celebration organization and planning expenses.
- E. *Facility Rental/Events* – Increase of \$9,485 for hosting Fall, Spring & Summer Gatherings.
- F. *Bank Service Charges & Brokerage Fees* – Increase of \$8,500 for Title III Endowment broker fees.
- G. *Title III Scholarship & Program Funding* – Amount of increase \$13,355.
- H. *Scholarship Funding* – Increase of \$5,200 for endowments that did not fund scholarships/program and the Marian Hancock Scholarship award.
- I. Fund balance carried over from fiscal year 2016-17.

FISCAL IMPACT

Budget is being revised to reflect foundation's new focus, activities and Title III issues more accurately.

RECOMMENDATION**Motion 1**

Staff recommends approval of the financial statements as submitted to the Finance Committee to the full board as submitted with a recommendation to forward to the full board for their review/approval at the April quarterly board meeting.

Motion 2

Staff recommends approval of the Foundation's revised general operations budget as submitted to the Finance Committee with additional revenues coming from either the current fund balance reserves as identified in I or proceeds from the Young Endowment, as noted in B.

Allan Hancock College Foundation
Check Register
Check Dates from 12/1/2016 to 12/31/2016

Vendor Name	Description	Budget Code	Amount	Status	Check
AHC CAMPUS GRAPHICS	Printing Directional Sign	Foundation Office	Printing	121.73	
	Scholarship Banners	Scholarship Banquet and	Printing	97.16	
	Scholarship Posters 2017	Scholarship Banquet and	Printing	87.82	
			306.71	FN	00018354
BUSINESS CARD	Constant Contact Monthly Fee	Foundation Office	Service Contract	4.75	
				4.75	FN
OFFICE DEPOT BUSINESS	FY17 Sppls	Foundation Office	Office Supplies	520.62	
	FY17 Sppls	Foundation Office	Office Supplies	155.48	
	FY17 Sppls	Foundation Office	Office Supplies	96.27	
	FY17 Sppls	Foundation Office	Office Supplies	158.00	
	FY17 Sppls Refund	Foundation Office	Office Supplies	-43.29	
	FY17 Sppls	Foundation Office	Office Supplies	112.54	
	FY17 Sppls	Foundation Office	Office Supplies	161.60	
			1,161.22	FN	00018356
ALLAN HANCOCK COLLEGE	Wages TL Coleman	Foundation Office	Professional Exp	1,200.00	
	Wages ME Reyes	Foundation Office	Student Workers	310.00	
	Classfd PERS TL Coleman	Foundation Office	Classified PERS	166.66	
	Classfd Soc Sec TL Coleman	Foundation Office	Classified Soc S	74.40	
	Classfd Medicare TL Coleman	Foundation Office	Classified Medic	17.40	
	Classfd SUI TL Coleman	Foundation Office	Classified SUI	0.60	
	Classfd WC TL Coleman	Foundation Office	Classified WC	27.47	
	Classfd WC ME Reyes	Foundation Office	Classified WC	7.10	
			1,803.63	FN	00018357
CALIFORNIA POLY UNIVERSITY	Scholarship C Barrick F2016	Athletic Consultant Project	Scholarships	500.00	
	Scholarship C Barrick F2016	Bank of Santa Maria	Scholarships	1,100.00	
			1,600.00	FN	00018358
Coleman, Terri Lee	RMB M AG ASSMNT MTG 113016	Grants-Santa Barbara	Food Supplies	51.66	
	RMB M AG ASSMNT MTG 120116	Grants-Santa Barbara	Food Supplies	62.40	
			114.06	FN	00018359
Coleman, Terri Lee	RMB MLG AHC Fdtn 1014-110116	Foundation Office	Off-Site Confere	26.57	
	RMB MLG AHC Fdtn 11/01-17/16	Foundation Office	Off-Site Confere	20.09	
	RMB MLG AHC Fdtn 11/18-30/16	Foundation Office	Off-Site Confere	15.44	
	RMB MLG Ag Assmt 1019-110816	Foundation Office	Off-Site Confere	62.53	
	RMB MLG Ag Assmt 11/18-30/16	Foundation Office	Off-Site Confere	57.35	
	RMB MLG Ag Assmt 1130-120216	Foundation Office	Off-Site Confere	41.26	
	RMB MLG Ag Assmt 11/08-17/16	Foundation Office	Off-Site Confere	21.28	

Allan Hancock College Foundation
Check Register
Check Dates from 12/1/2016 to 12/31/2016

Vendor Name	Description	Budget Code	Amount	Status	Check
			244.52	FN	00018360
COX , MARLYN J	Sppls Replenish Petty Cash	Foundation Office	7.94		
	Fd Sppls Replenish Petty Cash	Foundation Office	90.00		
			97.94	FN	00018361
Foodbank of Santa Barbara County	FOOD SHARE SM CAMPUS 11/17/16	Annual President's Circle	305.32		
	FOOD SHARE SM CAMPUS 12/01/16	Annual President's Circle	402.64		
	FOOD SHARE SM ATHLC 11/17	Annual President's Circle	305.58		
	FOOD SHARE SM ATHLC 12/01	Annual President's Circle	118.65		
			1,132.19	FN	00018362
Foodbank of Santa Barbara County	FOOD SHARE LVC 11/17/16	Annual President's Circle	326.65		
	FOOD SHARE LVC 12/01/16	Annual President's Circle	329.63		
			656.28	FN	00018363
FOUNDATION FOR CA COMM	NCCCCF membership 201617	Foundation Office	1,125.00		
			1,125.00	FN	00018364
Heritage Oaks Bank	STUD EMRGCY PREPAID VISA	Student Emergency Fund	950.00		
			950.00	FN	00018365
Latting, Mitchell	AHC Jazz Band musician	AHC Jazz Ensemble	40.00		
			40.00	FN	00018366
LUCAS, ANN	RMB SPPLS 12/05/16	AHC Chorus Fund	10.81		
	RMB FD SPPLS 12/04-05/16	AHC Chorus Fund	179.94		
			190.75	FN	00018367
Parke, John D	Prof Musician 12/8/16 concert	AHC Jazz Ensemble	250.00		
			250.00	FN	00018368
Railey Jr, George A	RMB ROTARY CLUB MEALS	Annual President's Circle	63.75		
	RMB ROTARY CLUB DUES	Annual President's Circle	17.25		
			81.00	FN	00018369
Trader Joe's	PCPA student cards	Foundation Office	1,060.00		
			1,060.00	FN	00018370
UNIVERSITY OF CALIF	Scholarship KMonette F2016	Yanagibashi, Kay Memorial	3,150.00		
		Scholarships	3,150.00	FN	00018371
CALIF STATE UNIV MONTEREY	Fall 16 Scholarship A Fortuna	Adam, William C.	500.00		

Allan Hancock College Foundation
Check Register
Check Dates from 12/1/2016 to 12/31/2016

Vendor Name	Description	Budget Code	Amount	Status	Check
			500.00	FN	00018372
Coleman, Terri Lee	Ag Comm Rdtble mtg 120816	Grants-Santa Barbara	Food Supplies	20.55	
			20.55	FN	00018373
Enriquez, Angelica G	CHMPS WRP-UP MTG 060616	AHC MESA Programs	Office Supplies	61.00	
	CHMPS WRP-UP MTG 060616	AHC MESA Programs	Food Supplies	115.22	
			176.22	FN	00018374
FRANCHISE TAX BOARD	Non-Resident Ca W/HLoring	Foundation Office	Indep Contractor	143.15	
			143.15	FN	00018375
The Rotary Club of Santa Maria	SM Parade of Light Program Ad	Foundation Office	Advertising	50.00	
	FY17 Rotary meals	Annual President's Circle	Food Supplies	19.25	
	FY17 Rotary meals	Annual President's Circle	Food Supplies	57.75	
	Monthly Dues	Annual President's Circle	Dues &	8.00	
			135.00	FN	00018376
		Total Amount:	14,942.97		
		Reversals:	0.00		
		Grand Total:	14,942.97		

Allan Hancock College Foundation
Check Register
Check Dates from 1/1/2017 to 1/31/2017

Vendor Name	Description	Budget Code	Amount	Status	Check
BUSINESS CARD	CONSTANT CONTACT MONTHLY	Foundation Office	Service Contract	4.75	
			4.75	FN	00018377
Cardmember Service	Dry Cleaning Svcs	Foundation Office	Office Supplies	181.20	
	Meals 11/17/16	Foundation Office	Food Supplies	36.08	
	Meals SP TLC 11/18/16	Foundation Office	Food Supplies	73.72	
	Meals 12/09/16	Foundation Office	Food Supplies	33.85	
	Thnksgvng meal 9 stdnts	Annual President's Circle	Food Supplies	85.50	
			410.35	FN	00018378
Daane, Margaret	Refund ACH Overpayment 121416	Annual President's Circle	Contributed Gift	125.00	
			125.00	FN	00018379
Frontier Communications	FY17 Fdtn Fax Line	Foundation Office	Telephone	53.29	
			53.29	FN	00018380
Houghton, Susan M	FY17 Travel	Foundation Office	Off-Site Confere	38.99	
			38.99	FN	00018381
Jovi's Delights	Food Angel Tree event 121416	AHC EOPS/Reentry	Food Supplies	127.50	
			127.50	FN	00018382
OFFICE DEPOT BUSINESS	Fdtn Office Sppls Ink	Foundation Office	Office Supplies	106.89	
	Fdtn Office Sppls	Foundation Office	Office Supplies	119.47	
	Fdtn Office Sppls	Foundation Office	Office Supplies	111.44	
	Fdtn Office Sppls	Foundation Office	Office Supplies	19.46	
			357.26	FN	00018383
SIGNS OF SUCCESS	College Advmt & AHC Fdtn signs	Foundation Office	Office Supplies	500.00	
			500.00	FN	00018384
AHC CAMPUS GRAPHICS	THANK YOU CARDS	Foundation Office	Printing	75.13	
	EMP GIVING CAMPAIGN 2016	Foundation Office	Printing	135.00	
	FDTN LETTERHEAD	Foundation Office	Printing	90.47	
	PRINTING PADS	Foundation Office	Printing	64.94	
	NAME PLATE STUD WKR	Foundation Office	Printing	5.12	
	YR END LETTER CAMPAIGN	Foundation Office	Printing	243.34	
	ATHLTCS MBKBLL HLDY CLASSIC	Athletic Consultant Project	Printing	64.45	
			678.45	FN	00018385
ALLAN HANCOCK COLLEGE	MARCLAD FOUNDATION	Grants - Marclad	Dist/Cllg Supprt	33,577.17	
	PRINTING ORFALEA CHLDRN CTR	One-time Funding	Dist/Cllg Supprt	168.13	

**Allan Hancock College Foundation
Check Register
Check Dates from 1/1/2017 to 1/31/2017**

Vendor Name	Description	Budget Code		Amount	Status	Check
				33,745.30	FN	00018386
American Business Machines	CANON MAINT AGREEMENT	Foundation Office	Non-Tech Mnt	75.38		
				75.38	FN	00018387
CENTRAL COAST PRINTING	Pres Circle brochures	Annual President's Circle	Printing	980.27		
				980.27	FN	00018388
Foodbank of Santa Barbara County	FOOD SHARE SM CAMPUS 121516	Annual President's Circle	Food Supplies	294.55		
	FOOD SHARE SM GYM 121516	Annual President's Circle	Food Supplies	260.68		
				555.23	FN	00018389
Foodbank of Santa Barbara County	FOOD SHARE LVC 121516	Annual President's Circle	Food Supplies	253.87		
				253.87	FN	00018390
FRANCOTYP-POSTALIA INC.	ANNUAL POSTAGE METER FEE	Foundation Office	Equipment Rental	454.65		
				454.65	FN	00018391
Krelle, Stacy G	RMB SPPLS ANGEL TREE EVNT	AHC EOPS/Reentry	Office Supplies	71.54		
				71.54	FN	00018392
MCCRACKEN, TONI D	RMB FD FIN & EXEC CMM MTG	Foundation Office	Food Supplies	22.45		
				22.45	FN	00018393
VTC ENTERPRISES	Year-ending mailing	Foundation Office	Printing	928.66		
	Bulk mailing postage	Foundation Office	Postage/Express	135.32		
				1,063.98	FN	00018394
ALLAN HANCOCK COLLEGE	MAILROOM CHARGES OCT-DEC	Foundation Office	Postage/Express	65.05		
				65.05	FN	00018395
ALLAN HANCOCK COLLEGE	FN Banner Scholarship	Adam, William C.	Claim on Cash-Tr	500.00		
	FN Banner Scholarship	Bartleson Family	Claim on Cash-Tr	1,000.00		
	FN Banner Scholarship	Owen, A & B Acct	Claim on Cash-Tr	500.00		
	FN Banner Scholarship	JDX Pharmacy	Claim on Cash-Tr	1,000.00		
				3,000.00	FN	00018396
ALLAN HANCOCK COLLEGE	FN Banner Scholarship	STEM Events Restr Fund	Claim on Cash-Tr	675.00		
	FN Banner Scholarship	Grants for Scholarships	Claim on Cash-Tr	1,872.06		
				2,547.06	FN	00018397
Efren's Mexican Restaurant	Lunch All-Staff Day 1/20/17	One-time Funding	Food Supplies	3,031.00		
				3,031.00	FN	00018398

Allan Hancock College Foundation
Check Register
Check Dates from 1/1/2017 to 1/31/2017

Vendor Name	Description	Budget Code	Amount	Status	Check
Frontier Communications	FY17 Fdtn Fax	Foundation Office Telephone	58.25		
			58.25	FN	00018399
Johnson, Kathleen	RMB SPPLS 1/02-05/17	AHC Dental Occupations Office Supplies	74.06		
			74.06	FN	00018400
Keenan & Associates	INS PREM MADDUX ART EXHIBIT	Annual President's Circle Insurance	1,129.00		
			1,129.00	FN	00018401
KIWANIS CLUB OF SANTA	MEMBERSHIP DUES N. ORNELAS	Annual President's Circle Dues &	150.00		
			150.00	FN	00018402
			2.30		
			2.30	FN	00018403
SANTA MARIA COUNTRY CLUB	DEP AHC PLANNING RETREAT	One-time Funding Food Supplies	500.00		
			500.00	FN	00018404
SANTA MARIA SUN	AHCF 40TH ANNIV GRATITUDE AD	Foundation Office Advertising	164.00		
			164.00	FN	00018405
ATTORNEY GENERAL'S	CA FORM RRF1 FEE 2016	Foundation Office Non-Tech Lic/Pmt	150.00		
			150.00	FN	00018406
AHC - ASSOCIATED STUDENT	Donation to Nutrition Club	Foundation Clearing Restr Contributed Gift	100.00		
			100.00	FN	00018407
ALLAN HANCOCK COLLEGE	RMB CalCard exp 121316	One-time Funding Office Supplies	16.23		
	RMB CalCard exp dinner 121316	One-time Funding Food Supplies	64.99		
	Empty Bowls Evnt Tkts 102616	One-time Funding Advertising	250.00		
			331.22	FN	00018408
Coleman, Terri Lee	RMB Sppls Ag Assmnt Cards	Foundation Office Office Supplies	26.92		
	RMB SMWN Lnchn 010417	Foundation Office Food Supplies	22.00		
	RMB MLG AHC Fdtn 12/06-010417	Foundation Office Off-Site Confere	76.32		
	RMB MLG AHC Fdtn 01/10-17/17	Foundation Office Off-Site Confere	77.47		
	RMB MLG Ag Assmnt 12/21-010517	Grants-Santa Barbara Off-Site Confere	8.07		
	RMB MLG Ag Assmnt 12/07-16/16	Grants-Santa Barbara Off-Site Confere	91.15		
			301.93	FN	00018409
Emerald Wave Media	Festival of Lights Sponsr 2016	One-time Funding Advertising	1,500.00		
			1,500.00	FN	00018410

Allan Hancock College Foundation
Check Register
 Check Dates from 1/1/2017 to 1/31/2017

Vendor Name	Description	Budget Code	Amount	Status	Check
Orcutt Children's Art Foundation Inc.	Orcutt Chldrn Fdtn Gala 030417	One-time Funding	Advertising	1,000.00	
			1,000.00	FN	00018411
SANTA MARIA VALLEY	2017 Bs/Ed Partnershp Luncheon	One-time Funding	Food Supplies	120.00	
			120.00	FN	00018412
			Total Amount:	53,742.13	
			Reversals:	0.00	
			Grand Total:	53,742.13	

Allan Hancock College Foundation
Check Register
Check Dates from 2/1/2017 to 2/28/2017

Vendor Name	Description	Budget Code		Amount	Status	Check
AHC CAMPUS GRAPHICS	Spring Gathering Invitations	Foundation Office	Printing	63.55		
	Fdtn Qtrly Brd Agenda 012617	Foundation Office	Printing	145.60		
	Business Cards Design	Foundation Office	Printing	22.50		
	AHC Fdtn Director Nametag	Foundation Office	Printing	38.75		
	Fdtn Parking Sign	Foundation Office	Printing	18.99		
	Pres' Circle Perfrtd Card Dsgn	Annual President's Circle	Office Supplies	78.75		
				368.14		FN 00018413
ALLAN HANCOCK COLLEGE	Prof Exprt NovDec16 TLC	Foundation Office	Professional Exp	3,787.17		
	Clssfd OT B. Bisquera 101916	Foundation Office	Classified Overt	185.56		
	Stud Wrkr NovDec16 MER	Foundation Office	Student Workers	1,170.00		
	Clssfd PERS Nov/Dec16	Foundation Office	Classified PERS	525.96		
	Clssfd Soc Sec Nov/Dec16	Foundation Office	Classified Soc S	246.30		
	Clssfd Medicare Nov/Dec16	Foundation Office	Classified Medic	57.61		
	Clssfd SUI Nov/Dec16	Foundation Office	Classified SUI	1.99		
	Clssfd WC Nov/Dec16	Foundation Office	Classified WC	117.70		
Clary Book Fund LRC Bk Purchase	Friends of LRC - Clary	Dist/Cllg Supprt	925.00			
				7,017.29		FN 00018414
Cardmember Service	Rose Sharon Florist- C Maddux	Foundation Office	Public Relations	86.60		
	Florist Pellerin Family	Foundation Office	Office Supplies	83.40		
	Meal SH TMcC 121316	Foundation Office	Food Supplies	22.45		
	Fd D. Rashe 122116	Foundation Office	Food Supplies	8.90		
	Fd J. Frost 010417	Foundation Office	Food Supplies	21.33		
	SLO AFP Luncheon 011217	Foundation Office	Food Supplies	60.00		
	Fd Sppls 122016	Foundation Office	Food Supplies	19.96		
	Constant Contact Monthly 1225	Foundation Office	Service Contract	4.75		
	MGRU Conf Reg Fee 03282917	Foundation Office	Off-Site Confere	198.00		
	Trstee Farewell Dinnr Gft Crds	One-time Funding	Food Supplies	79.99		
	Trstee Farewell Dinnr Gft Crds	One-time Funding	Food Supplies	559.93		
	Florist Pellerin Family Credit	Foundation Office	Office Supplies	-15.73		
				1,129.58		FN 00018415
COX , MARLYN J	RMB M Grant Deadline SH HNC CS	Foundation Office	Food Supplies	36.59		
				36.59		FN 00018416
Foodbank of Santa Barbara County	FOOD SHARE: LVC CAMPUS	Annual President's Circle	Food Supplies	-7.95		
	FOOD SHARE LVC 9/15/16	Annual President's Circle	Food Supplies	417.19		
	FOOD SHARE LVC 10/20/16	Annual President's Circle	Food Supplies	11.98		
	FOOD SHARE LVC 10/20/16	Annual President's Circle	Food Supplies	287.71		
	FOOD SHARE LVC 11/03/16	Annual President's Circle	Food Supplies	484.01		
				1,192.94		FN 00018417

Allan Hancock College Foundation
Check Register
Check Dates from 2/1/2017 to 2/28/2017

Vendor Name	Description	Budget Code	Amount	Status	Check
OFFICE DEPOT BUSINESS	Fdtn Office Sppls	Foundation Office	Office Supplies	318.19	
			318.19	FN	00018418
Smith, Emily A	RMB M Bus/Ed Prtnrshp 012517	Foundation Office	Food Supplies	20.00	
			20.00	FN	00018419
TESTA CATERING	SMV Ldrshp Grp Mtg 120216	Foundation Office	Food Supplies	258.72	
	Fd Sppls All Staff Day 012017	One-time Funding	Food Supplies	747.90	
			1,006.62	FN	00018420
The Shack of Lompoc Inc	S2017 CNA Student Uniforms	Grants for Scholarships	Scholarships	1,356.74	
			1,356.74	FN	00018421
AHC CAMPUS GRAPHICS	Coaches vs Cancer Poster	AHC Crowdfunding	Printing	45.00	
			45.00	FN	00018422
FOLLETT HEG - AHC	Spring 2017 CNA Textbooks 42	Grants for Scholarships	Scholarships	7,790.58	
			7,790.58	FN	00018423
Solvang Chamber of Commerce	Annual Cmnty Awrds Bnqt 021617	One-time Funding	Advertising	600.00	
			600.00	FN	00018424
Titus, Maureen Roberta	RMB Sppls Trnsfr Svcs	AHC Dental Occupations	Office Supplies	43.09	
			43.09	FN	00018425
ARIZONA STATE UNIVERSITY	Scholarship D. Cardenas	AHC Student Services	Scholarships	1,000.00	
			1,000.00	FN	00018426
ARIZONA STATE UNIVERSITY	Scholarship M. Seyfert	AHC CSEA Chapter 251	Scholarships	333.00	
	Scholarship M. Seyfert	Maceri, Dr. Domenico	Scholarships	333.00	
			666.00	FN	00018427
CAL STATE UNIVERSITY-LONG	Scholarship A. Sjoting	General Scholarship Fund	Scholarships	1,000.00	
			1,000.00	FN	00018428
CALIFORNIA POLY UNIVERSITY	Scholarship D. Valdez	Demos Political Sci	Scholarships	500.00	
			500.00	FN	00018429
Foodbank of Santa Barbara County	FOOD SHARE SM G106 091516	Annual President's Circle	Food Supplies	520.27	
			520.27	FN	00018430
Foodbank of Santa Barbara County	FOOD SHARE SM GYM 091516	Annual President's Circle	Food Supplies	263.22	

Allan Hancock College Foundation
Check Register
Check Dates from 2/1/2017 to 2/28/2017

Vendor Name	Description	Budget Code	Amount	Status	Check
			263.22	FN	00018431
Garner, Judith L	RMB SPPLS Various Displays	Friends of LRC	Office Supplies	49.47	
			49.47	FN	00018432
Institute for Strategic Funding	Wrkshp Reg Fee NR 02161717	Foundation Office	Off-Site Confere	524.00	
			524.00	FN	00018433
Lompoc Valley Chamber of	Seed Pkt & Post Card Sets	Foundation Office	Public Relations	300.00	
			300.00	FN	00018434
SANTA BARBARA CO EDU	Bus Apprctn Lnchn Plaque	Annual President's Circle	Office Supplies	27.81	
			27.81	FN	00018435
Coleman, Terri Lee	RMB Sppls Dec 2016 - Jan 2017	Foundation Office	Office Supplies	51.49	
			51.49	FN	00018436
D3 Sports Inc.	Coach VS Cancer Shirt	AHC Crowdfunding	Office Supplies	72.80	
			72.80	FN	00018437
Foodbank of Santa Barbara County	FOOD SHARE SM G103 02/02/17	Annual President's Circle	Food Supplies	412.15	
	FOOD SHARE SM Gym 02/02/17	Annual President's Circle	Food Supplies	383.91	
			796.06	FN	00018438
Foodbank of Santa Barbara County	FOOD SHARE LVC 02/02/17	Annual President's Circle	Food Supplies	326.55	
			326.55	FN	00018439
Frontier Communications	FY17 Fdn Fax Line	Foundation Office	Telephone	53.23	
			53.23	FN	00018440
Legacy Philanthropy Works	Focus Group Facilitation	Grants-Santa Barbara	Indep Contractor	1,500.00	
			1,500.00	FN	00018441
Nolan-Chavez, Holly	Promise Grant Consulting	Foundation Office	Indep Contractor	3,000.00	
			3,000.00	FN	00018442
Radis, Loren	Musician Spring Gathering 0301	Foundation Office	Indep Contractor	150.00	
			150.00	FN	00018443
SANTA MARIA COUNTRY CLUB	Fd Planning Retreat 2/24/17	One-time Funding	Food Supplies	1,909.12	
			1,909.12	FN	00018444
Santa Maria Valley YMCA	Sponsor Golf Tourney 093016	One-time Funding	Advertising	1,500.00	

Allan Hancock College Foundation
Check Register
Check Dates from 2/1/2017 to 2/28/2017

Vendor Name	Description	Budget Code	Amount	Status	Check
			1,500.00	FN	00018445
St. Mary of the Assumption School	Mardi Gras Sponsorship	One-time Funding	1,500.00		
			1,500.00	FN	00018446
TESTA CATERING	Fd Ag Assmnt Mtg 2/13/17	Grants-Santa Barbara	507.02		
			507.02	FN	00018447
		Total Amount:	37,141.80		
		Reversals:	0.00		
		Grand Total:	37,141.80		

**Allan Hancock College Foundation
Contributions
July 1, 2016 through June 30, 2017**

Account	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
General Operations	\$ 50	\$ 4,850	\$ 417	\$ 117	\$ 559	\$ 1,950	\$ 10,545	\$ 1,000					\$ 19,489
Endowments - Unrestricted	\$ 245,000												\$ 245,000
President's Circle	\$ 4,908	\$ 4,925	\$ 4,408	\$ 8,325	\$ 5,649	\$ 7,018	\$ 8,243	\$ 4,952					\$ 48,429
Restricted	\$ 65,275	\$ 4,750	\$ 2,705	\$ 2,585	\$ 74,764	\$ 3,233	\$ 8,897	\$ 27,044					\$ 189,252
Scholarships	\$ 22,713	\$ 1,199	\$ 37,109	\$ 52,081	\$ 28,226	\$ 26,403	\$ 71,016	\$ 46,074					\$ 282,821
Endowments	\$ 5,330	\$ 225	\$ 4,787	\$ 16,275	\$ 28,050	\$ 27,500	\$ 8,970	\$ 320					\$ 91,457
MONTHLY TOTALS	\$ 343,276	\$ 15,948	\$ 49,428	\$ 79,383	\$ 135,248	\$ 68,104	\$ 107,671	\$ 79,390					\$ 876,447
CURRENT YTD TOTALS	\$ 343,276	\$ 359,224	\$ 408,650	\$ 488,033	\$ 623,281	\$ 689,385	\$ 797,056	\$ 876,447		\$ -	\$ -	\$ -	\$ 876,447

PRIOR YEARS CONTRIBUTIONS

July 15-June 16	1,768,065
July 14-June 15	1,354,738
July 12-June 13	11,862,226
July 11-June 12	774,867
July 10-June 11	907,873
July 09-June 10	941,725
July 08-June 09	1,053,238
July 07-June 08	1,070,668
July 06-June 07	1,098,427
July 05-June 06	1,125,361
July 04-June 05	951,050
July 03-June 04	938,647

NOTES:

- a) Report does not include investment portfolio activity.
- b) Report does not include outstanding pledges.

ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF OPERATIONS BY SUBFUND
FOR THE PERIOD ENDING 02/28/2017

	Cash	Admin	Rounded to the Nearest Dollar General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
REVENUE:								
Contributions	0		19,421	236,045	282,821	336,457	0	874,744
Contributions non-cash	0		0	0	0	0	0	0
District Grant Contributions	0		35,036	0	0	0	0	35,036
Interest and dividends	0		17,912	1	0	0	409,344	427,257
Gain/Loss on sale of investments	0		-3,347	0	0	0	95,374	92,027
Change in asset portfolio	0		32,672	0	0	0	1,277,206	1,309,879
Royal/Other/Bad Debt Recov.	0		67	1,636	0	0	0	1,703
Total revenue	0		101,761	237,682	282,821	336,457	1,781,924	2,740,645
EXPENDITURES:								
Scholarships	0		0	1,175	500,502	0	0	501,677
Student Assistance	0		0	16,694	0	0	0	16,694
District/College Support	0		0	48,649	0	0	0	48,649
Salaries	0		117,916	0	0	0	0	117,916
Employee benefits	0		13,077	0	0	0	0	13,077
Supplies and materials	0		14,761	40,055	0	0	0	54,816
Contracted personal services	0		6,695	2,590	0	0	0	9,285
Travel and conference	0		5,677	682	0	0	0	6,359
Memberships and permits	0		2,634	310	0	0	0	2,944
Technology Services	0		0	0	0	0	0	0
Telephone	0		552	0	0	0	0	552
Contracts and leases	0		8,134	4,800	0	0	0	12,934
Postage and advertising	0		10,233	27,350	0	0	0	37,583
Bank/brokerage charges	0		9,181	32	0	0	107,996	117,209
Miscellaneous expense	0		0	71,616	0	0	0	71,616
Building and equipment	0		0	0	0	0	0	0
Credit Card Disc. Fees	0		1	0	0	0	0	1
Total expenditures	0		188,862	213,953	500,502	0	107,996	1,011,312
Net income(loss)	0		-87,101	23,729	-217,681	336,457	1,673,929	1,729,333
OTHER FINANCING SOURCES/OUTGO:								
Transfers in	0		167,173	5,263	11,000	104,737	11,227	299,400
Transfers out	0		0	48,250	37,824	107,500	143,150	336,724
Net transfers	0		167,173	-42,987	-26,824	-2,763	-131,923	-37,324
Net inc/dec in fund bal	0		80,072	-19,258	-244,505	333,694	1,542,006	1,692,009
FUND BALANCE:								
Fund equity, July 1	0		289,766	1,627,011	658,523	18,582,136	996,709	22,154,144
Current balance	0		369,838	1,607,754	414,018	18,915,830	2,538,715	23,846,154

ALLAN HANCOCK COLLEGE FOUNDATION
BALANCE SHEET BY SUBFUND
FOR PERIOD ENDED 02/28/2017

	Cash Admin	Rounded to the Nearest General Operations	Restricted	Dollar Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
ASSETS							
Cash and securities							
Claim on Cash	-8,358,588	359,142	1,607,061	421,355	3,432,315	2,538,715	0
Claim on Cash-Treasury	0	0	0	0	0	0	0
Checking	826,878	0	692	0	0	0	827,570
Credit Card	5,673	0	0	0	0	0	5,673
Cash on hand	100	0	0	0	0	0	100
Investment cash	181,944	0	0	0	376,513	0	558,458
Investment securities	6,502,155	0	0	0	14,158,810	0	20,660,965
FMV increase/decrease	841,838	0	0	0	948,159	0	1,789,997
Total cash & securities	0	359,142	1,607,754	421,355	18,915,797	2,538,715	23,842,762
Receivables							
Due from other funds	0	10,696	0	0	0	0	10,696
Accrued interest receivable	0	0	0	0	33	0	33
Payroll taxes receivable	0	0	0	0	0	0	0
Total receivables	0	10,696	0	0	33	0	10,729
Total assets	0	369,838	1,607,754	421,355	18,915,830	2,538,715	23,853,491
LIABILITIES							
Accounts payable	0	0	0	0	0	0	0
Payroll taxes payable	0	0	0	0	0	0	0
Due other funds	0	0	0	7,338	0	0	7,338
Total liabilities	0	0	0	7,338	0	0	7,338
FUND BALANCE							
Fund equity FYB	0	289,766	1,627,011	658,523	18,582,136	996,709	22,154,144
Current income/loss	0	80,072	-19,258	-244,505	333,694	1,542,006	1,692,009
Total fund balance	0	369,838	1,607,754	414,018	18,915,830	2,538,715	23,846,154
Total liab & fund balance	0	369,838	1,607,754	421,355	18,915,830	2,538,715	23,853,491

ALLAN HANCOCK COLLEGE FOUNDATION
 Summary of Portfolio Allocation
 January 1, 2017 - February 28, 2017

**GENERAL OPERATIONS, RESTRICTED
 and SCHOLARSHIPS**

	1/1/2017	Deposits Withdrawals	2/28/2017
Morgan Stanley Active Assets, .010%	\$ 632,394	\$ 4.87	\$ 632,399
Morgan Stanley, Consulting Group Advisor	\$ 674,255	\$ 20,404	\$ 694,659
Rabobank - Checking	\$ 122,860	\$ 71,618	\$ 194,479
Rabobank - Credit Card	\$ 4,264	\$ 1,409	\$ 5,673
Heritage Oaks Bank - Savings	\$ 692		\$ 692
Cash on Hand	\$ 100		\$ 100
Sub-Total	\$ 1,434,566		\$ 1,528,002

ENDOWMENTS	Investment Basis	Beginning Market Value 01/01/17	Deposit Gains/Loss	Ending Market Value 2/28/2017	Total Market Value Change YTD
Morgan Stanley	\$ 2,984,748	\$ 5,216,907	\$ 108,422.29	\$ 5,325,330	\$ 108,422
LPL Financial	\$ 854,408	\$ 1,448,544	\$ 22,752	\$ 1,471,295	\$ 22,752
Osher-Bartleson Fund Endowment	\$ 100,000	\$ 121,312		\$ 121,564	\$ 252
Northern Trust (Young Quasi Endowment)		\$ 1,391,334	\$ 50,399	\$ 1,441,733	\$ 50,399
LPL Financial	\$ 13,000	\$ 48,330	\$ 3,468	\$ 51,798	\$ 3,468
Sub-Total	\$ 3,952,157	\$ 8,226,427		\$ 8,411,720	\$ 185,293

PATRICIA J. BOYD FUND

Rabobank Wealth Management	\$ 4,000,000	\$ 4,243,830	\$ 178,413	\$ 4,420,243	\$ 176,413
Northern Trust	\$ 6,000,000	\$ 6,578,852	\$ 238,314	\$ 6,817,166	\$ 238,314
Morgan Stanley	\$ 2,115,777	\$ 2,586,325	\$ 79,306	\$ 2,665,631	\$ 79,306
Sub-Total	\$ 12,115,777	\$ 13,409,007		\$ 13,903,040	\$ 494,033
		\$ 23,070,000			

Total General Opr, Restricted, Scholarships & Endowments	\$ 23,842,762
Accounts Receivable	\$ 10,729
Total Assets	\$ 23,853,491
Total Liabilities - Accounts Payable	\$ (7,338)
Net Assets	\$ 23,846,153

**Allan Hancock College Foundation
General Operations Budget
July 1, 2016 - June 30, 2017**

As of 2/28/2017

	2016-17 Approved Budget	2016-17 Actual Rev & Exp	2016-17 Remaining Budget	2016-17 Projected Total Rev & Exp thru 6/30/17
REVENUE				
General Operations - Unrestricted Contributions	20,100	19,421		23,000
General Operations - Interest	20,000	17,912		26,000
A. Administration Fee - 1.5%	90,000	53,943		78,200
President's Circle Campaign	10,500	10,500	-	12,000
Consulting Group Advisor - Unrealized Gain/Loss	30,000	29,325		38,000
Marian Hancock Trust	24,750	24,750	-	24,750
B. F. Young Endowment Proceeds	75,000	75,000	-	150,000
District Title 5 Support - Advancement Specialist	55,975	35,036		57,740
Other - rebate	0	67		67
Madson Endowment Proceeds	5,500	2,980		2,980
TOTAL GENERAL OPERATIONS REVENUE	331,825	268,934	-	412,737
EXPENSES				
Executive Director	50,000	0	50,000	48,568
Staff Salaries	190,265	110,316	79,948	199,438
Staff Health/Welfare Benefits	15,200	7,600	7,600	18,304
Staff Payroll Taxes/Insurance	22,069	13,077	8,992	23,495
C. Sub Total Staff Salaries & Benefits	277,534	130,993	146,541	289,805
D. Public Relations - 40th Celebration	500	3,151	(2,651)	8,000
Operational Supplies	5,000	4,888	112	5,900
Printing	6,600	2,383	4,217	8,000
Food Supplies	5,000	3,740	1,260	5,000
Consultants, Service Contracts	3,500	7,727	(4,227)	8,127
Conferences	3,000	4,839	(1,839)	4,400
Business Travel Expense	1,500	838	662	1,500
Dues and Memberships	1,750	2,484	(734)	2,500
Licenses, Permits, Filing Fees	225	150	75	225
Telephone	700	552	148	700
E. Facility/Events(Fall, Spring & Summer Gathering)	0	7,172	(7,172)	16,057
Agreements (Scholarship Program Support)	9,000	0	9,000	8,925
Equipment Leases & Agreements	500	530	(30)	530
Postage and Courier Services	3,000	649	2,351	2,500
Community Support/Advertising	1,000	9,584	(8,584)	9,584
F. Bank Service Charges & Brokerage Fees	4,500	9,182	(4,682)	13,000
Equipment & Computer Software	1,000	0	1,000	950
G. Title III Scholarship & Program Funding	0	0	-	13,355
H. Scholarship Funding	3,000	0	3,000	5,200
Annual Scholarship Banquet	4,500	0	4,500	4,500
Sub Total Operating Expenses	54,275	57,870	107%	118,953
TOTAL GENERAL OPERATING EXPENSES	331,809	188,863	57%	408,758
Net Revenue/Expense	16	80,071		3,979
I. Beginning Fund Balance, July 1, 2016	289,766	289,766		289,766
ENDING FUND BALANCE	289,782	369,837	-	293,745

**Allan Hancock College Foundation
Young Endowment Principal and Proceeds Activity**

	7/1/12-6/30/2013	7/1/13-6/30/2014	7/1/14-6/30/2015	7/1/15-6/30/2016	7/1/16-2/28/2017
Principal	\$ 702,255.77	\$ 702,255.77	\$ 702,255.77	\$ 702,255.77	\$ 702,255.77
Beginning Balance - Proceeds	\$ (20,204.13)	\$ 78,785.21	\$ 221,250.57	\$ 228,832.58	\$ 146,557.17
Proceeds	\$ 136,489.34	\$ 187,465.36	\$ 47,582.01	\$ (32,275.41)	\$ 154,646.65
Transfer to Foundation Operations	\$ (37,500.00)	\$ (45,000.00)	\$ (40,000.00)	\$ (50,000.00)	\$ (75,000.00)
Brokerage Fee					\$ (5,490.75)
Ending Balance	<u>\$ 781,040.98</u>	<u>\$ 923,506.34</u>	<u>\$ 931,088.35</u>	<u>\$ 848,812.94</u>	<u>\$ 922,968.84</u>

To: Finance Committee	INFORMATION
From: Susan Houghton Executive Director, College Advancement	April 5, 2017
Subject: Review Morgan Stanley & Northern Trust Benchmarks	

BACKGROUND

The Finance Committee requested the Morgan Stanley's and Northern Trust's benchmarks. Both have provided and are attached for the committee's review and discussion.

Allan Hancock College Foundation
Proposed Fees Based on Varying Asset Levels

Prepared by Eddie & Jennifer Murray- Morgan Stanley

	Current Fees		
	Assets	Fee %	Total Fee
Endowment	5,361,000	0.60%	32,166
Boyd	2,682,000	0.50%	13,410
Reserve Account	697,000	0.45%	3,137
Current Total Assets on Managed Platforms (approximate amount)	8,740,000		48,713

Current Total Blended Rate **0.56%**

	Proposed Fees Adding \$2m			Proposed Fees Adding \$5m		
	Assets	Fee %	Total Fee	Assets	Fee %	Total Fee
Advisory Fees:						
\$0-\$4,999,999	5,000,000	0.60%	30,000	5,000,000	0.50%	25,000
\$5,000,000-\$9,999,999	5,000,000	0.40%	20,000	5,000,000	0.40%	20,000
\$10,0000-\$24,999,999	740,000	0.35%	2,590	3,740,000	0.35%	13,090
Total Assets on Managed Platform After Additions	10,740,000		52,590	13,740,000		58,090

Total Proposed Blended Rate After Additions **0.49%** **0.42%**

Summary	
Current Blended Rate with \$8,740,000 in managed money	0.56%
Proposed Blended Rate with \$10,740,000 in managed money	0.49%
Proposed Blended Rate with \$13,740,000 in managed money	0.42%

The above information is for illustrative purposes only. The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. Some securities may not be suitable for all investors. Morgan Stanley, its officers, executives, directors cannot be held liable for any omissions or inaccuracies in this document. Please contact your tax advisor with any tax related questions.

Advisory Fee Schedule	Assets Under Management				
	\$ 8,310,532	\$ 10,000,000	\$ 15,000,000		
Asset Value					
First	\$ 2,000,000	0.75%	\$ 15,000	\$ 15,000	\$ 15,000
Next	\$ 3,000,000	0.60%	18,000	18,000	18,000
Next	\$ 5,000,000	0.50%	16,553	25,000	25,000
Next	\$ 15,000,000	0.35%		-	17,500
Next	\$ 25,000,000	0.25%		-	-
Over	\$ 50,000,000	0.20%		-	-
Total Advisory Fee (\$)	\$ 49,553		\$ 58,000	\$ 75,500	
Total Investment Product Fee (\$)	39,060		47,000	70,500	
Total "All In" Fee (\$)	\$ 88,612		\$ 105,000	\$ 146,000	
Total Advisory Fee (%)		0.60%	0.58%	0.50%	
Total Investment Product Fee (%)*		0.47%	0.47%	0.47%	
Total "All In" Fee (%)		1.07%	1.05%	0.97%	

Essentially the advisory fee % drops as the assets under management rise. The Allan Hancock College Foundation currently exceeds the first two breakpoints (the first \$2,000,000 @ 0.75%, the next \$3,000,000 at 0.60%, the next \$3,310,532 @ 0.50%), so the next ~\$1,690,000 would come in at 0.50%, and then anything over \$10,000,000 would then exceed the third breakpoint and come in at 0.35%.

As I mentioned when we met last month, the investment product (underlying manager) fee of 0.47% does not change regardless of the portfolio size, and for this analysis I assumed the current investment solution would be applied to additional assets under management. The bottom line is that the Northern advisory fee and the total fee would drop by 2 basis points if the portfolio were to increase to \$10,000,000, and drop by 10 basis points if the total portfolio were to increase to \$15,000,000.

Note too that there will be additional, and probably significant, cost savings by comparing what our "all in" fee on the total portfolio would be to the total fee you're currently paying your combined investment managers. Please let me know if you have any questions and I look forward to talking to you soon.

Louis