



Executive Committee Meeting
Wednesday, October 27, 2022 ❖ 3 -4 p.m.
Allan Hancock College – Building B-100 Boardroom
800 South College Drive, Santa Maria, California 93454

AGENDA

	Page	Tentative Time
1. Call to Order		3:00 p.m.
2. Roll Call		
3. Public Comment		
<i>This section of the agenda is intended for members of the public to address the Executive Committee on items involving the Foundation that are being considered. Please note that directors are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda. 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 five minutes.</i>		
4. Approval of Agenda for October 27, 2022 (ACTION)	1-2	3:01 p.m.
5. Approval of Minutes – July 13, 2022 (ACTION)	3-5	
6. Executive Director’s Report (Information)		3:03 p.m.
7. Consent Agenda (ACTION)		
<i>Consent agenda items are consistent with adopted policies and approved practices of the Foundation and are deemed routine in nature. They will be acted upon, if required, by a vote in one motion without discussion unless members of the board request an item’s removal from the consent agenda.</i>		
7.A. Foundation Giving Report and Promise Campaign Update	6-7	3:08 p.m.
7.B. President’s Circle Subcommittee Report	8	3:10 p.m.
7.C. Scholarship Subcommittee Report	9	3:13 p.m.
8. Finance Committee	10	3:31 p.m.
8.A. Approval of Financial Statements through 6/30/2022,8/31/2022 (ACTION)	11-18	
8.B. Review and Consideration of Investment Policy Statement (ACTION)	19-24	
8.C. Annual Review of Operating Budget Sustainability Plan (Information)	25	
9. Other Business – Board Retreat Discussion		3:40 p.m.
10. Quarterly Board Meeting – October 27, 2022 – Agenda Review (Information)	26-27	
11. Consideration of New Business (Information)		3:45 p.m.
12. Next Meeting – January 18, 2023, 4-5 p.m.		
13. Adjourn (ACTION)		4:00 p.m.

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The mission of the Allan Hancock College Foundation is to operate for the advancement of education by raising funds and building community support to meet the needs of the college in the areas of scholarships, capital/infrastructure projects and program support.



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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.

A handwritten signature in blue ink, appearing to read "Jon Hooten", positioned above a horizontal line.

Jon Hooten, Executive Director
Allan Hancock College – College Advancement

- Executive Committee Members:
- Maggi Daane, President, Chair
 - Judith Dale, Vice President
 - Judy Frost, Treasurer
 - Debra Hood, Secretary
 - Jim Bray, Director
 - Lee-Volker Cox, Director
 - Jeff Hall, AHC Trustee
 - Kevin Walthers, AHC President/Superintendent

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ALLAN HANCOCK COLLEGE FOUNDATION
A REGULAR MEETING OF THE EXECUTIVE COMMITTEE
Minutes of July 13, 2022, 4 – 5 pm

A regular meeting of the Executive Committee was held on Wednesday, July 13, 2022, at 4 p.m. at Allan Hancock College – Bldg. B, Board Room and via Zoom teleconference. This meeting was held with a remote option in compliance with Governor Newsom’s shelter-at-home order issued to help protect against the spread of COVID-19.

1. Call to Order

Foundation board president, L.V. Cox, called the meeting to order at 4:01 p.m.

2. Roll Call

Executive Committee Members Present: Jim Bray, Lee-Volker Cox, Judith Dale, Judy Frost, Debra Hood, Kevin Walthers

College Staff: Jon Hooten

Recorder: Marlyn Cox

Others present: Maggi Daane

3. Public Comment – None

4. Approval of Agenda (ACTION)

MOTION: On a motion by J. Bray, seconded by J. Frost, the agenda for July 13, 2022, meeting of the Executive Committee was approved by a unanimous voice vote.

5. Approval of Minutes (ACTION)

The Executive Committee reviewed the minutes from the April 13, 2022 meeting.

MOTION: On a motion by J. Frost, seconded by D. Hood, the minutes from April 13, 2022, were approved by a unanimous voice vote.

6. Executive Director’s Report

J. Hooten shared the next quarterly board meeting will be held at the Lompoc Valley Center. For those who have not toured the Public Safety Training Complex, there will be tours beginning at 3:00 p.m. Mitch McCann, PSTC Associate Dean, will provide a presentation to the board. There has been an increase in LVC enrollment attributed to completing AHC degrees is now an option at the LVC.

The Foundation’s Operations Specialist position has been filled by Marisol Diaz. Marisol was born and raised in Santa Maria, attended UCSB majoring in global studies, and currently is employed in San Luis Obispo at a private education provider. She will begin work on August 1, 2022.

The Foundation is planning two events in coming months. On July 20, The President’s Circle Summer Social will take place at Runway Vineyards in Santa Maria. The Centennial sponsors received complimentary President’s Circle memberships and will be invited to the event. The second is a major donor cultivation event on September 10 to be held on campus. This will be an invitation only event where the Hancock Promise campaign will be shared along with a possible \$50,000 matching gift opportunity.

Sadly, news was received that Foundation board member Cynthia Schur passed away earlier this week.

At the district's Board of Trustees' meeting held on Tuesday, June 14, 2022, the district approved providing \$684,000 to the Foundation designated for the Hancock Promise. This was a windfall from a consortium where AHC was a member. Also, the Board approved \$25,000 the district received as an Ellucian prize that will be given to the Foundation designated to the Hancock Promise. The two gifts will increase the Hancock Promise to approximately \$6.1 million.

7. Consent Agenda (ACTION)

Consent agenda items are consistent with adopted policies and approved practices of the Foundation and deemed routine in nature. Consent items will be acted upon by a vote in one motion without discussion unless members of the committee request an item's removal from the consent agenda. Consent items include:

7.A. Slate of Officers

D. Hood noted while she is thrilled and honored to serve on the Executive Committee, she believes there are other community members that could have the opportunity to serve in a Foundation leadership position.

7.B. 2022-23 Committees and Chairs

M. Daane would like to be a member of the Scholarship Committee.

7.C. New Student Representative – Edianna Ysip

7.D. 2022-2023 Fiscal Year Calendar of Meetings and Events

7.E. Foundation Giving Report and Promise Campaign Update

7.F. President's Circle Subcommittee Report

7.G. Scholarship Subcommittee Report

7.H. Cultivation & Fundraising Dinner Event Update

7.I. Foundation Staffing Update – Marlyn Cox was temporarily hired on a part-time basis on May 5, 2022, to provide training to Erinn Artrip, Fiscal Technician, and support for the Board of Directors' meetings.

MOTION: On a motion by J. Frost, seconded by J. Dale, the consent agenda items 7.A. through 7.I. were approved by a unanimous voice vote.

K. Walthers arrived at 4:26 p.m.

8. Finance Committee (ACTION)

8.A. Approval of Financial Statements through 5/31/2022 (ACTION)

8.B. Approval of Revised 2022-2023 Operating Budget (ACTION)

8.C. Approval of Auditors 2019-2021 IRS Form 990 (ACTION)

J. Hooten reviewed the Revised 2022-2023 Operating Budget with the committee. At the district's Board of Trustees' meeting held on Tuesday, June 14, 2022, the tentative fiscal year 2022-2023 budget was presented. The budget included \$233,555 in ongoing Foundation support. As a 501(c)(3) nonprofit auxiliary corporation, the Foundation is staffed independently and does not have access to district retirement benefits (PERS) or medical benefits (because of SISC rules). Not providing retirement or medical benefits has become an issue in

recruiting and retaining Foundation staff. J. Hooten expressed his appreciation for the district for providing the ongoing support and the Executive Committee for supporting the staff's need of benefits. The district support to the Foundation provides the ability to provide Foundation staff with medical and retirement benefits. The revised budget includes \$65,000 for benefits and is a very conservative estimate. The actual benefits cost includes medical, vision, dental, life insurance, and a retirement match of 12%. Further, J. Hooten mentioned the staff benefits are already making a difference in the stability of the Foundation's workforce and expressed appreciation to the district for making it possible.

L. V. Cox asked whether the annual support of \$233,555 will increase as salary costs increase and the board should be made aware if the support is a fixed amount. K. Walthers said the district budget may be able to increase the annual support of the Foundation to accommodate Foundation salary increases.

MOTION: On a motion by D. Hood, seconded by J. Dale, the financial statements, the revised 2022-2023 operating budget, and the Internal Revenue Service's Form 990 were approved as submitted by the Finance Committee by a unanimous voice vote, and will be forwarded to the Board of Directors for approval.

9. Quarterly Board Meeting Agenda Review – July 28, 2022, 4-5 p.m. (ACTION)

J. Hooten reminded the committee the next quarterly board meeting will be held at the Lompoc Valley Center and will include a tour of the Public Safety Training Complex beginning at 3:00. The LVC campus map will be included when staff mails the agenda packet.

MOTION: On a motion by L.V. Cox, seconded by D. Hood, the Executive Committee voted to hold the next Foundation Board of Directors meeting at the Lompoc Valley Center on July 28, 2022, by a unanimous voice vote.

10. Consideration of New Business

K. Walthers reported PCPA's *Sound of Music* is playing at the Marian Theater until July 31 and highly recommended the show. Fine Arts Complex will be completed Spring 2023.

11. Next Meeting – October 27, 2022, 3:00 – 4:00 p.m.

12. Adjourn (ACTION)

MOTION: On a motion by M. Daane, seconded by J. Bray, the meeting was adjourned at 4:46 p.m. by a unanimous voice vote.

To: Executive Committee	CONSENT
From: Jon Hooten, Executive Director Allan Hancock College Foundation	October 27, 2022
Subject: Foundation Giving Report and Promise Campaign Update	

Foundation Giving Report

The Foundation Giving Report provides a comparison of Foundation fundraising revenue for FY 2020-21, 2021-22, and 2022-23 (through August 31, 2022). The numbers below are for fundraising receivables (not inclusive of pledges) and are reconciled with the foundation's contributions report.

<u>Foundation Revenue Comparison</u>	<u>7/1/20- 6/30/21</u>	<u>7/1/21 - 6/30/22</u>	<u>7/1/22 – 8/31/22</u>
Hancock Promise	\$862,679 ¹	\$915,789	\$20,941
Annual Scholarships	\$444,203	\$386,367	\$42,848
Endowed Scholarships	\$204,746 ²	\$45,325	\$0
Endowments (Other) ³	\$124,259	\$0	\$0
President's Circle	\$50,065	\$60,669	\$13,383
General Operations	\$79,178	\$34,345	\$7,618
Other restricted (Depts, programs, etc.)	\$147,284	\$283,350	\$22,884
	<u>\$1,912,414</u>	<u>\$1,725,845</u>	<u>\$107,674</u>

¹ Includes proceeds from the Centennial celebration.

² Three new scholarship endowments were established in fiscal year 2020-2021.

³ The Endowments (Other) category contains all gifts to non-scholarship endowments that support Hancock programs or the Foundation, usually bequests.

Hancock Promise Campaign Update

As of August 31, 2022, the Hancock Promise campaign has a total of \$6,364,356 in gifts and pledges. This does not include a contribution of a matured bequest of approximately \$375,000 that we expect to receive by the end of the calendar year.

The Impact Report and fall solicitation pieces are in production and will be mailed over the next two months. Recruitment is also beginning on new "Campaign City Committees" to identify and solicit new donors to the campaign. We will gather these new committees after the first of the year.

2022 Winemaker's Dinner

The Winemaker's Dinner cultivation event was held on September 10 on the Santa Maria AHC campus. The event welcomed 86 attendees who enjoyed wine and beer donated and poured by AHC alumni who now have their own wineries/tasting rooms. Guests included a mix of longtime and new donors, and board members who identified and invited guests. Community stakeholders, civic leaders, and other businesses and individuals who Foundation staff believe would make valuable partners for Promise in the future were also in attendance. At the event, the Promise program received a generous \$50,000 donation from PG&E and \$20,000 from an anonymous donor in the audience. The event also

resulted in a \$10,000 commitment from SESLOC and \$5,000 commitment from an individual in attendance. Follow-up is occurring with high-potential individuals who attended. Overall, this proved to be a successful event that is producing new leads for campaign support.

Foundation Support to District

The Foundation provides the AHC Joint Community College District support for other programs and projects beyond scholarships.

Restricted Funds Expenses	FY 2021-22	FY22-23 through 8/31/22
AHC Programs (restricted dept. support)	\$241,033	\$20,481
President's Circle	\$94,305	\$10,980
Student Emergency Fund	\$6,155	\$0
Subtotal	\$341,493	\$31,461
Scholarships Funded		
Scholarships	\$642,758	\$402,051
Subtotal	\$642,758	\$402,051
Total Support to District	\$984,251	\$433,512

To: Executive Committee	CONSENT
From: Maggi Daane, Chair President’s Circle Subcommittee	October 27, 2022
Subject: President’s Circle Subcommittee Report	

Membership Report

	July 1, 2022 – September 30, 2022
Current Total	64
Pending Renewal	3

Staff sent out 38 renewals to the Centennial sponsors who received complementary one-year memberships as a cultivation strategy. We are proud to report that this strategy yielded 14 PC members. Three other centennial sponsors did not renew President’s Circle membership but continued to give this year to a different program.

Financial Report

	March 1, 2022 - April 30, 2022	May 1, 2022 – August 31, 2022
Opening Balance	\$43,972.00	\$27,302.00
Revenue	\$6,673.00	\$25,171.00
Expenses	\$23,343.00	\$37,147.00
Balance	\$27,302.00	\$15,326.00

President’s Circle Renewals

Staff sent out 3 renewals through October and are currently waiting for responses.

Each member of the Foundation’s Board of Directors is invited and encouraged to become a member of the President’s Circle. The President’s Circle is a wonderful way to show your support for Hancock and support the vision of our President.

President’s Circle Summer Social

President’s Circle hosted a Summer Social on July 20 from 5-7 p.m. at Runway Vineyards, hosted by owner Abel Maldonado. Over 50 President’s Circle members were in attendance to enjoy Runway wine and appetizers from Field to Table. One PC member invited a guest, who joined the PC as a result of the event.

Save The Date for Future Events

Staff is planning the next PC event.

- Fine Arts Complex Tour, more information to follow.
 - Wednesday, December 7, 2022 – Time: TBD

To: Executive Committee	CONSENT
From: Tim Harrington, Chair Scholarship Subcommittee	October 27, 2022
Subject: Scholarship Subcommittee Report	

BACKGROUND

Work is well underway on the 2022-2023 AHC Foundation Scholarship Program. The faculty/staff of the scholarship working team committee will meet via zoom on Friday, October 14, 2022, to discuss changes to the online scholarship program, rubric, and goals for each meeting.

The online application will launch November 2, and students may submit their application through Wednesday, February 8, 2023. The work of the review teams will begin immediately after that through April with reading, ranking and identifying students for donor scholarships

The annual scholarship appeal letters will be sent out by Friday, October 14, and staff expects positive responses from most, if not all, scholarship donors. If you are interested in starting your own named scholarship, reach out to Natalie and she can get you that information.

To: Executive Committee	ACTION
From: Judy Frost, Chair Finance Committee	October 27, 2022
Subject: Review and Approval of Financial Statements	

BACKGROUND

8.A. Review of the Allan Hancock College Foundation financial statements (ACTION)

- Contributions Report 7/1/2021-6/30/2022 and 8/31/2022 Pg. 11-12
- Statement of Operations 8/31/2022 Pg. 13-14
- Statement of Financial Position 8/31/2022 Pg. 15-16
- General Operations Budget 8/31/2022 Pg. 17-18

8.B. Review and Consideration of Investment Policy Statement (ACTION)

The purpose of the Foundation’s Investment Policy Statement is to provide guidance to all related parties as to how the funds of the Foundation’s investments shall be managed. The intent of the policy is to be sufficiently specific to be meaningful, yet flexible enough to be practical in changing times.

The Investment Policy Statement shall be reviewed and updated on an annual basis. Members of the Finance Committee have approved this policy to certify that they have reviewed the document and updated it where appropriate. The document will then be approved by the Board of Directors. A copy of the updated Investment Policy Statement is attached.

8.C. Annual Review of Operating Budget Sustainability Plan (Information)

At the Finance Committee meeting held on April 10, 2019, the committee requested staff prepare a 5-year sustainability plan for the Foundation’s operating budget. Each year the committee reviews the plan which is attached. The plan has been updated through fiscal year 2021-2022

RECOMMENDATION

The Finance Committee recommends approval of the financial statements as submitted. Upon approval, the financial statements will be forwarded to the full board for review and approval.

Allan Hancock College Foundation
Contributions
July 1, 2021 through June 30, 2022

Account	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
General Operations	\$ 7,037	\$ 137	\$ 272	\$ 7,372	\$ 2,636	\$ 8,537	\$ 300	\$ 70	\$ 1	\$ 7,648	\$ 300	\$ 35	\$ 34,345
Other Local Income	\$ -	\$ 30	\$ 7,695	\$ 3,457	\$ 30	\$ 425	\$ -	\$ 7,970	\$ -	\$ 8,784	\$ 71	\$ 220	\$ 28,682
President's Circle	\$ 6,139	3,443	\$ 2,775	\$ 3,885	\$ 2,025	\$ 19,025	\$ 3,389	\$ 2,776	\$ 1,021	\$ 5,028	\$ 1,439	\$ 9,725	\$ 60,669
Restricted	\$ 1,858	\$ 3,962	\$ 1,312	\$ 2,390	\$ 17,175	\$ 147,500	\$ 4,174	\$ 12,170	\$ 30,580	\$ 50,745	\$ 1,175	\$ 10,309	\$ 283,350
Scholarships	\$ 37,802	\$ 16,810	\$ 18,146	\$ 28,643	\$ 43,081	\$ 78,285	\$ 18,675	\$ 10,721	\$ 15,443	\$ 82,096	\$ 34,694	\$ 1,971	\$ 386,367
Hancock Promise	\$ 9,074	\$ 786	\$ 4,415	\$ 17,856	\$ 12,348	\$ 50,673	\$ 520	\$ 3,685	\$ 920	\$ 16,269	\$ 6,478	\$ 742,533	\$ 865,559
Title V - Hancock Promise	\$ 230			\$ 50,000									\$ 50,230
Endowments	\$ -	\$ -	\$ -	\$ 4,000	\$ 125	\$ 26,000	\$ 10,100	\$ 2,000	\$ 3,000	\$ -	\$ 100		\$ 45,325
MONTHLY TOTALS	\$ 62,140	\$ 25,168	\$ 34,615	\$ 117,603	\$ 77,420	\$ 330,445	\$ 37,158	\$ 39,392	\$ 50,965	\$ 170,570	\$ 44,257	\$ 764,793	\$ 1,754,527
CURRENT YTD TOTALS	\$ 62,140	\$ 87,307	\$ 121,922	\$ 239,525	\$ 316,945	\$ 647,390	\$ 684,549	\$ 723,941	\$ 774,906	\$ 945,476	\$ 989,734	\$ 1,754,527	\$ 1,754,527

PRIOR YEARS CONTRIBUTIONS

July 2020 - June 2021	1,912,505
July 2019 - June 2020	3,661,328
July 2018 - June 2019	1,646,016
July 2017 - June 2018	2,547,577
July 2016 - June 2017	1,167,156
July 2015 - June 2016	1,766,065
July 2014 - June 15	1,354,736
July 2012-June 2013	11,662,226
July 2011 - June 2012	774,867
July 2010 - June 2011	907,673
July 2009 - June 2010	941,725
July 2008 - June 2009	1,053,236
July 2007 - June 2008	1,070,668
July 2006 - June 2007	1,098,427

NOTES:

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

Allan Hancock College Foundation
Contributions
July 1, 2022 through June 30, 2023

Account	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
General Operations	\$ 7,618	\$ -											\$ 7,618
Other Local Income	\$ -	\$ -											\$ -
President's Circle	\$ 6,277	7,106											\$ 13,383
Restricted	\$ 2,630	\$ 20,255											\$ 22,885
Scholarships	\$ 26,631	\$ 16,217											\$ 42,848
Hancock Promise	\$ 6,661	\$ 14,280											\$ 20,941
Title V - Hancock Promise	\$ -	\$ -											\$ -
Endowments	\$ -	\$ -											\$ -
MONTHLY TOTALS	\$ 49,816	\$ 57,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,674
CURRENT YTD TOTALS	\$ 49,816	\$ 107,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,674

PRIOR YEARS CONTRIBUTIONS

July 2021 - June 2022	1,754,527
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NOTES:

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

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDING 06/30/2022**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
REVENUES:							
Contributions, Gifts, Grants & Endowments	0	34,345	1,209,578	386,367	95,555	0	1,725,845
Non Cash Contribution	0	0	899	0	0	0	899
Interest and Investment Income	0	26,719	74	0	0	547,725	574,518
Chg in Beneficial Int in Asset FCCC	0	0	0	0	(29,806)	0	(29,806)
Realized Gain/Loss on Invest	0	12,273	0	0	0	3,769,839	3,782,112
Unrealized Gain/Loss on Invest	0	(75,767)	0	0	0	(6,711,972)	(6,787,739)
Other Local Revenues	0	249	12,886	15,548	0	0	28,682
Total Revenues	0	(2,181)	1,223,437	401,915	65,749	(2,394,408)	(705,489)
EXPENSES:							
Non Bargaining Unit	0	240,588	0	0	0	0	240,588
Benefits	0	22,344	0	0	0	0	22,344
Office/Operational Supplies	0	4,650	32,235	0	0	0	36,885
In Kind Supply Expense	0	0	249	0	0	0	249
Non Instr Printing	0	7,388	3,162	0	0	0	10,550
Food - Business Meetings/Events	0	2,271	31,374	0	0	0	33,645
Indep Contractor (Individuals)	0	0	500	0	0	0	500
Service Contracts (Businesses)	0	3,516	22,538	0	0	0	26,054
Travel - All Travel Costs	0	840	212	0	0	0	1,053
Foundation Community Activities	0	6,473	8,575	0	0	0	15,047
Dues & Memberships	0	3,878	3,851	0	0	0	7,728
Non-Tech Licenses, Permits, Fees	0	2,790	3,322	0	0	0	6,112
Software License/Subscription Agrmt	0	0	19,276	0	0	0	19,276
Film/Media Rental	0	0	770	0	0	0	770
Facility Rental	0	0	60	0	0	0	60
Software Maintenance Agreement	0	18,678	5,244	0	0	0	23,921
Equipment Rental	0	0	5,234	0	0	0	5,234
District/College Support	0	0	175,901	0	10,289,934	5,086,377	15,552,212
Postage/Express Services	0	7,644	0	0	0	0	7,644
Advertising/Sponsorships	0	4,436	0	0	0	0	4,436
Bank Service Charges	0	2,126	860	0	0	0	2,986
Investment Brokerage Fees	0	3,898	0	0	0	231,497	235,396
PCPA Support	0	0	12,050	85,747	0	0	97,797
Equipment	0	0	1,648	0	0	0	1,648
Equipment-In Kind	0	0	650	0	0	0	650
Student Assistance	0	0	13,532	0	0	0	13,532
Scholarships	0	0	250	557,011	0	0	557,261
Total Expenses	0	331,520	341,493	642,758	10,289,934	5,317,875	16,923,578
Net Income (Loss)	0	(333,701)	881,944	(240,843)	(10,224,185)	(7,712,282)	(17,629,067)
OTHER FINANCING SOURCES/OUTGO:							
Intrafund Transfer-In	0	157,891	234,223	287,520	645,440	0	1,325,073
Intrafund Transfers-Out	0	13,245	671,163	23,672	0	616,993	1,325,073
Other Transfer-In	0	201,689	0	0	0	0	201,689
Net Transfers	0	346,335	(436,941)	263,848	645,440	(616,993)	201,689
Net Inc/Dec in Fund Bal	0	12,634	445,003	23,005	(9,578,745)	(8,329,275)	(17,427,378)
FUND BALANCE:							
Fund Equity, July 1	0	596,043	2,090,702	790,712	24,089,018	9,877,791	37,444,267
Current Balance	0	608,677	2,535,706	813,716	14,510,273	1,548,516	20,016,888

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDING 08/31/2022**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
REVENUES:							
Contributions, Gifts, Grants & Endwmnts	0	7,618	57,208	42,848	0	0	107,674
Sales and Commission	0	0	380	0	0	0	380
Interest and Investment Income	0	3,997	165	0	0	50,345	54,508
Realized Gain/Loss on Invest	0	1,873	0	0	0	82,890	84,764
Unrealized Gain/Loss on Invest	0	5,850	0	0	0	258,567	264,417
Total Revenues	0	19,339	57,754	42,848	0	391,802	511,743
EXPENSES:							
Non Bargaining Unit	0	44,170	0	0	0	0	44,170
Benefits	0	5,419	0	0	0	0	5,419
Office/Operational Supplies	0	482	5,395	0	0	0	5,877
In Kind Supply Expense	0	0	380	0	0	0	380
Non Instr Printing	0	93	0	0	0	0	93
Food - Business Meetings/Events	0	761	12,069	0	0	0	12,830
Service Contracts (Businesses)	0	494	1,000	0	0	0	1,494
Travel - All Travel Costs	0	114	0	0	0	0	114
Foundation Community Activities	0	3,150	1,000	0	0	0	4,150
Dues & Memberships	0	1,600	290	0	0	0	1,890
Non-Tech Licenses, Permits, Fees	0	394	591	0	0	0	985
Software License/Subscription Agrmt	0	4,121	5,837	0	0	0	9,959
Equipment Rental	0	0	1,676	0	0	0	1,676
District/College Support	0	0	2,901	0	0	0	2,901
Postage/Express Services	0	0	156	0	0	0	156
Advertising/Sponsorships	0	180	0	0	0	0	180
Bank Service Charges	0	95	166	0	0	0	260
Investment Brokerage Fees	0	627	0	0	0	31,300	31,927
PCPA Support	0	0	0	22,735	0	0	22,735
Scholarships	0	0	0	379,317	0	0	379,317
Total Expenses	0	61,699	31,461	402,051	0	31,300	526,511
Net Income (Loss)	0	(42,359)	26,293	(359,203)	0	360,502	(14,768)
OTHER FINANCING SOURCES/OUTGO:							
Intrafund Transfer-In	0	29,525	0	1,550	717,004	0	748,079
Intrafund Transfers-Out	0	0	729,473	0	0	18,606	748,079
Other Transfer-In	0	247,628	0	0	0	0	247,628
Net Transfers	0	277,153	(729,473)	1,550	717,004	(18,606)	247,628
Net Inc/Dec in Fund Bal	0	234,794	(703,180)	(357,653)	717,004	341,896	232,861
FUND BALANCE:							
Fund Equity, July 1	0	608,677	2,535,706	813,716	14,510,273	1,548,516	20,016,888
Current Balance	0	843,471	1,832,525	456,063	15,227,277	1,890,412	20,249,749

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 06/30/2022**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
ASSETS:							
Claim on Cash	(9,703,109)	587,446	1,792,532	821,404	4,953,210	1,548,516	0
AHC Fdtn Mechanics Bank Checking	287,524	0	0	0	0	0	287,524
AHC Fdtn MS Active Assets MM	446,435	0	0	0	0	0	446,435
MS Select UMA Boyd 3740 Inv Cash	0	0	0	0	223,170	0	223,170
MS Select UMA Unrestr 2948 Inv Cash	18,212	0	0	0	0	0	18,212
Monarch With Strategies Pooled Cash	18,162	0	0	0	0	0	18,162
Monarch With Strategies Lahr Cash	0	0	0	0	739	0	739
Northern Trust Young Cash	0	0	0	0	47,531	0	47,531
MS Select UMA Pooled 1441 Inv Cash	254,826	0	0	0	0	0	254,826
MorgStnly Title V HSI HP 8826 Cash	0	0	0	0	3,399	0	3,399
Pledge Receivable - Current	0	0	350	0	0	0	350
Pledge Receivable - Non Current	0	0	103,265	0	0	0	103,265
Discount on Pledge Receivable	0	0	(3,018)	0	0	0	(3,018)
Accrued Interest Receivable	0	0	0	0	26	0	26
Due From Other Funds	0	6,483	709,181	0	0	0	715,664
Inventory	0	0	770	0	0	0	770
Prepaid Items	0	17,381	6,837	0	0	0	24,219
MS Select UMA Boyd 3740 Inv Cost	0	0	0	0	2,163,530	0	2,163,530
MS Select UMA Unrestr 2948 Inv Cost	521,048	0	0	0	0	0	521,048
Monarch With Strategies Pooled Cost	1,837,312	0	0	0	0	0	1,837,312
Monarch With Strategies Lahr Cost	0	0	0	0	58,965	0	58,965
Northern Trust Young Cost	0	0	0	0	1,311,726	0	1,311,726
MS Select UMA Pooled 1441 Inv Cost	5,845,402	0	0	0	0	0	5,845,402
Interest in CA Comm Colleges Cost	0	0	0	0	146,689	0	146,689
SB Fdtn Hancock Promise Cost	0	0	0	0	5,162,621	0	5,162,621
MorgStnly Title V HSI HP 8826 Cost	0	0	0	0	346,065	0	346,065
MS Select UMA Boyd 3740 Inv FMV Adj	0	0	0	0	117,142	0	117,142
MS Select UMA Unrestr 2948 FMV Adj	64,862	0	0	0	0	0	64,862
Monarch With Strtgs Pooled FMV Adj	(32,057)	0	0	0	0	0	(32,057)
Monarch With Strtgs Lahr FMV Adj	0	0	0	0	(816)	0	(816)
Northern Trust Young FMV Adj	0	0	0	0	232,359	0	232,359
MS Select UMA Pooled 1441 FMV Adj	441,382	0	0	0	0	0	441,382
SB Fdtn Hancock Promise FMV Adj	0	0	0	0	(204,661)	0	(204,661)
MrgStnly Title V HSI HP 8826 FMV Adj	0	0	0	0	(51,422)	0	(51,422)
Total Assets	0	611,310	2,609,918	821,404	14,510,273	1,548,516	20,101,421
LIABILITIES:							
Accounts Payable	0	2,623	74,212	7,688	0	0	84,524
Sales Tax Payable	0	10	0	0	0	0	10
Total Liabilities	0	2,633	74,212	7,688	0	0	84,533
FUND BALANCE:							
Fund Equity FYB	0	596,043	2,090,702	790,712	24,089,018	9,877,791	37,444,267
Current Income/Loss	0	12,634	445,003	23,005	(9,578,745)	(8,329,275)	(17,427,378)
Total Fund Balance	0	608,677	2,535,705	813,717	14,510,273	1,548,516	20,016,889
Total Liabilities & Fund Balance	0	611,310	2,609,917	821,405	14,510,273	1,548,516	20,101,422

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 08/31/2022**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
ASSETS:							
Claim on Cash	(9,932,245)	824,953	1,712,450	724,988	4,779,442	1,890,412	0
AHC Fdtn Mechanics Bank Checking	600,262	0	0	0	0	0	600,262
AHC Fdtn MS Active Assets MM	165,065	0	0	0	0	0	165,065
MS Select UMA Boyd 3740 Inv Cash	0	0	0	0	143,586	0	143,586
MS Select UMA Unrestr 2948 Inv Cash	22,606	0	0	0	0	0	22,606
Monarch With Strategies Pooled Cash	10,999	0	0	0	0	0	10,999
Monarch With Strategies Lahr Cash	0	0	0	0	346	0	346
Northern Trust Young Cash	0	0	0	0	47,577	0	47,577
MS Select UMA Pooled 1441 Inv Cash	253,638	0	0	0	0	0	253,638
MorgStnly Title V HSI HP 8826 Cash	0	0	0	0	3,710	0	3,710
Accounts Receivable	0	0	20,380	0	0	0	20,380
Pledge Receivable - Current	0	0	35,810	0	0	0	35,810
Pledge Receivable - Non Current	0	0	66,475	0	0	0	66,475
Discount on Pledge Receivable	0	0	(2,979)	0	0	0	(2,979)
Accrued Interest Receivable	0	0	0	0	70	0	70
Due From Other Funds	0	6,928	0	0	0	0	6,928
Inventory	0	0	390	0	0	0	390
MS Select UMA Boyd 3740 Inv Cost	0	0	0	0	2,251,852	0	2,251,852
MS Select UMA Unrestr 2948 Inv Cost	521,839	0	0	0	0	0	521,839
Monarch With Strategies Pooled Cost	1,839,601	0	0	0	0	0	1,839,601
Monarch With Strategies Lahr Cost	0	0	0	0	59,303	0	59,303
Northern Trust Young Cost	0	0	0	0	1,311,726	0	1,311,726
MS Select UMA Pooled 1441 Inv Cost	5,877,448	0	0	0	0	0	5,877,448
Interest in CA Comm Colleges Cost	0	0	0	0	146,689	0	146,689
SB Fdtn Hancock Promise Cost	0	0	0	0	5,952,372	0	5,952,372
MorgStnly Title V HSI HP 8826 Cost	0	0	0	0	346,065	0	346,065
MS Select UMA Boyd 3740 Inv FMV Adj	0	0	0	0	166,501	0	166,501
MS Select UMA Unrestr 2948 FMV Adj	70,712	0	0	0	0	0	70,712
Monarch With Strtgs Pooled FMV Adj	6,584	0	0	0	0	0	6,584
Monarch With Strtgs Lahr FMV Adj	0	0	0	0	193	0	193
Northern Trust Young FMV Adj	0	0	0	0	281,980	0	281,980
MS Select UMA Pooled 1441 FMV Adj	563,491	0	0	0	0	0	563,491
SB Fdtn Hancock Promise FMV Adj	0	0	0	0	(220,438)	0	(220,438)
MrgStnly Title V HSI HP 8826 FMV Adj	0	0	0	0	(43,697)	0	(43,697)
Total Assets	0	831,881	1,832,525	724,988	15,227,277	1,890,412	20,507,084
LIABILITIES:							
Accounts Payable	0	(11,660)	0	0	0	0	(11,660)
Sales Tax Payable	0	70	0	0	0	0	70
Due To/From Interchart Scholarshi	0	0	0	268,925	0	0	268,925
Total Liabilities	0	(11,590)	0	268,925	0	0	257,335
FUND BALANCE:							
Fund Equity FYB	0	608,677	2,535,706	813,716	14,510,273	1,548,516	20,016,888
Current Income/Loss	0	234,794	(703,180)	(357,653)	717,004	341,896	232,861
Total Fund Balance	0	843,471	1,832,526	456,063	15,227,277	1,890,412	20,249,749
Total Liabilities & Fund Balance	0	831,881	1,832,526	724,988	15,227,277	1,890,412	20,507,084

Query View Budget Status by Account
 Fiscal period start date 07/01/2021
 Fiscal period end date 06/30/2022
 As of Date 06/30/2022

Chart of Accounts 3
 Fund 831001 and 831002
 Organization AFN
 Account All
 Program 709001
 Activity All

Account	Account Title	Adopted Budget	Adjusted Budget	Year to Date	Available Balance
Expenses					
214000	Non Bargaining Unit	\$ 265,000	\$ 265,000	\$ 240,588	\$ 24,412
332000	Classified Non Instr FICA-Soc Scrt	\$ 16,000	\$ 16,000	\$ 14,916	\$ 1,084
336000	Classified Non-Instr FICA-Medicare	\$ 3,800	\$ 3,800	\$ 3,489	\$ 311
342000	Classified Non Instr Health & Wlfr	\$ 1,200	\$ 1,200	\$ 647	\$ 553
352000	Classified Non-Instr SUI	\$ 1,700	\$ 1,700	\$ 1,449	\$ 251
352500	Classified ETT-Foundation	\$ 50	\$ 50	\$ 30	\$ 20
362000	Classified Non Instr Workers Comp	\$ 2,100	\$ 2,100	\$ 1,814	\$ 286
451500	Public Relations/Recognitions	\$ 100	\$ 100	\$ -	\$ 100
452000	Office/Operational Supplies	\$ 7,000	\$ 7,000	\$ 4,650	\$ 2,350
454000	Non Instr Printing	\$ 8,000	\$ 8,000	\$ 7,388	\$ 612
471000	Food - Business Meetings/Events	\$ 2,436	\$ 2,436	\$ 2,271	\$ 166
511000	Indep Contractor (Individuals)	\$ 895	\$ 895	\$ -	\$ 895
511200	Service Contracts (Businesses)	\$ 3,516	\$ 3,516	\$ 3,516	\$ -
521000	Travel - All Travel Costs	\$ 4,016	\$ 1,016	\$ 840	\$ 176
522000	On-Site-Prof. Develop/Webinars	\$ -	\$ -	\$ -	\$ -
522400	Foundation Community Activities	\$ 12,500	\$ 10,500	\$ 6,473	\$ 4,027
531000	Dues & Memberships	\$ 5,228	\$ 5,478	\$ 3,878	\$ 1,600
532000	Non-Tech Licenses,Permits,Fees	\$ 2,790	\$ 2,790	\$ 2,790	\$ 0
566000	Software Maintenance Agreement	\$ 18,678	\$ 18,678	\$ 18,678	\$ -
569000	Equipment Rental	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
587000	Postage/Express Services	\$ 4,600	\$ 8,600	\$ 7,644	\$ 956
588000	Advertising/Sponsorships	\$ 3,066	\$ 4,436	\$ 4,436	\$ -
589200	Bank Service Charges	\$ 4,000	\$ 4,000	\$ 2,126	\$ 1,874
589500	Investment Brokerage Fees	\$ 5,000	\$ 5,000	\$ 3,898	\$ 5,000
599200	Sales Discounts	\$ -	\$ -	\$ -	\$ -
641000	Equipment	\$ 1,070	\$ 450	\$ -	\$ 450
721500	Intrafund Transfers-Out	\$ 15,605	\$ 15,605	\$ 13,245	\$ 2,360
Revenue					
882000	Contributions,Gifts,Grants&Endwmnts	\$ 42,500	\$ 42,500	\$ 34,345	\$ 8,155
886000	Interest and Investment Income	\$ 21,000	\$ 21,000	\$ 26,719	\$ (5,719)
886500	Realized/Unreal Gain/Loss on Invest	\$ -	\$ -	\$ (63,494)	\$ 63,494
889000	Other Local Revenues	\$ 140	\$ 140	\$ 249	\$ (109)
898200	Intrafund Transfer-In	\$ 247,350	\$ 124,350	\$ 157,891	\$ (33,541)
898300	Other Transfer-In	\$ 78,360	\$ 201,360	\$ 201,689	\$ (329)
Revenue Total		\$ 389,350	\$ 389,350	\$ 357,399	\$ 31,951
Expenditure Total		\$ 389,350	\$ 389,350	\$ 344,765	\$ 48,484
Report Total (of all records)		\$ -	\$ -	\$ 12,634	\$ (16,532)

Intra Fund Transfers-Out

	<u>Budget</u>	<u>Actual</u>
Raiser's Edge donor database	\$ 12,000	\$ 13,245
	<u>\$ 12,000</u>	<u>\$ 13,245</u>

Intra Fund Transfers-In

Administration Fee @ 1.5%	\$ 95,000	\$ 127,393
President's Circle Fee @ 15%	\$ 7,500	\$ 9,100
Unrestricted Endowment Proceeds	\$ 5,000	\$ 5,750
Hancock Promise Gift Fee @ 1.5%	\$ 7,500	\$ 6,647
Hansen Unrestricted End.	\$ 9,350	\$ 9,000
Other Transfer-In (District support)	\$ 78,360	\$ 78,689
Other Transfer-In (District support)	\$ 123,000	\$ 123,000
	<u>\$ 325,710</u>	<u>\$ 359,580</u>

Query View Budget Status by Account
 Fiscal period start date 07/01/2022
 Fiscal period end date 06/30/2023
 As of Date 08/31/2022

Chart of Accounts 3
 Fund 831001 and 831002
 Organization AFN
 Account All
 Program 709001

Account Expenses	Account Title	Adopted Budget	Adjusted Budget	Year to Date	Available Balance
214000	Non Bargaining Unit	\$ 271,477.00	\$ 271,477.00	\$ 44,170.18	\$ 227,306.82
332000	Classified Non Instr FICA-Soc Scrt	\$ 16,832.00	\$ 16,832.00	\$ 2,750.97	\$ 14,081.03
336000	Classified Non-Instr FICA-Medicare	\$ 3,936.00	\$ 3,936.00	\$ 643.39	\$ 3,292.61
342000	Classified Non Instr Health & Wlfr	\$ 64,610.00	\$ 64,610.00	\$ 1,209.74	\$ 63,400.26
352000	Classified Non-Instr SUI	\$ 1,736.00	\$ 1,736.00	\$ 435.53	\$ 1,300.47
352500	Classified ETT-Foundation	\$ 28.00	\$ 28.00	\$ 8.89	\$ 19.11
362000	Classified Non Instr Workers Comp	\$ 2,264.00	\$ 2,264.00	\$ 370.05	\$ 1,893.95
452000	Office/Operational Supplies	\$ 5,000.00	\$ 5,000.00	\$ 482.12	\$ 1,482.77
454000	Non Instr Printing	\$ 10,000.00	\$ 10,000.00	\$ 92.52	\$ 2,840.00
471000	Food - Business Meetings/Events	\$ 4,000.00	\$ 4,000.00	\$ 760.88	\$ 3,239.12
511200	Service Contracts (Businesses)	\$ 3,500.00	\$ 3,500.00	\$ 493.56	\$ 3,006.44
521000	Travel - All Travel Costs	\$ 6,500.00	\$ 6,500.00	\$ 114.00	\$ 5,973.00
522000	On-Site-Prof. Develop/Webinars	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
522400	Foundation Community Activities	\$ 13,302.00	\$ 13,302.00	\$ 3,150.00	\$ 10,152.00
531000	Dues & Memberships	\$ 2,750.00	\$ 2,750.00	\$ 1,600.00	\$ 1,150.00
532000	Non-Tech Licenses,Permits,Fees	\$ 2,550.00	\$ 2,550.00	\$ 394.00	\$ 2,156.00
532200	Software License/Subscription Agrmt	\$ 28,000.00	\$ 28,000.00	\$ 4,121.24	\$ -
566000	Software Maintenance Agreement	\$ -	\$ -	\$ -	\$ -
587000	Postage/Express Services	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 5,450.00
588000	Advertising/Sponsorships	\$ 4,000.00	\$ 4,000.00	\$ 180.00	\$ 3,820.00
589200	Bank Service Charges	\$ 4,000.00	\$ 4,000.00	\$ 94.51	\$ 3,905.49
589500	Investment Brokerage Fees	\$ 5,000.00	\$ 5,000.00	\$ 627.13	\$ 4,373
599200	Sales Discounts	\$ -	\$ -	\$ -	\$ -
641000	Equipment	\$ 500.00	\$ 500.00	\$ -	\$ 500.00
721500	Intrafund Transfers-Out	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Revenue					
882000	Contributions,Gifts,Grants&Endwmnts	\$ 40,000.00	\$ 40,000.00	\$ 7,618.18	\$ 32,381.82
886000	Interest and Investment Income	\$ -	\$ -	\$ 3,997.46	\$ (3,997)
886500	Realized/Unreal Gain/Loss on Invest	\$ -	\$ -	\$ 7,724	\$ (7,724)
889000	Other Local Revenues	\$ 100.00	\$ 100.00	\$ -	\$ 100.00
898200	Intrafund Transfer-In	\$ 131,250.00	\$ 131,250.00	\$ 29,524.95	\$ 101,725.05
898300	Other Transfer-In	\$ 317,135.00	\$ 317,135.00	\$ 247,628.45	\$ 69,506.55
Revenue Total		\$ 488,485.00	\$ 488,485.00	\$ 296,492.66	\$ 191,992.34
Expenditure Total		\$ 488,485.00	\$ 488,485.00	\$ 61,698.71	\$ 390,341.94
Report Total (of all records)		\$ -	\$ -	\$ 234,793.95	\$ (198,349.60)

Intra Fund Transfers-Out

	<u>Budget</u>	<u>Actual</u>
Scholarship Banquet support	\$ 30,000	\$ -
	<u>\$ 30,000</u>	<u>\$ -</u>

Intra Fund Transfers-In

Administration Fee @ 1.5%	\$ 113,000	\$ 18,606
President's Circle Fee @ 15%	\$ 8,250	\$ -
Unrestricted End. Proceeds-Madsen	\$ 5,000	\$ -
Hancock Promise Gift Fee @ 1.5%	\$ 5,000	\$ 10,919
Unrestricted Endowment	\$ -	\$ -
Other Transfer-In (District support)	\$ 83,580	\$ 14,073
Other Transfer-In (District support)	\$ 233,555	\$ 233,555
	<u>\$ 448,385</u>	<u>\$ 277,153</u>



**ALLAN HANCOCK COLLEGE FOUNDATION
INVESTMENT POLICY STATEMENT**

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ALLAN HANCOCK COLLEGE FOUNDATION INVESTMENT POLICY STATEMENT

1. INTRODUCTION AND PURPOSE

The Allan Hancock College Foundation (Foundation) is a non-profit corporation dedicated to:

- Soliciting and raising money to award scholarships to students enrolled at Allan Hancock College (AHC) or who are preparing to leave AHC to continue their studies at a four year college/university.
- Supporting the educational programs of Allan Hancock College.
- Assisting Allan Hancock College in the funding of its capital needs.

With this mission in mind, the purpose of this Investment Policy Statement is to provide guidance to all related parties as to how the funds of the Foundation shall be managed. Its intent is to outline a philosophy and attitude which will guide the investment management of the Foundation's assets towards desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical in changing times.

The investment fund shall be managed in accordance with high standards of fiduciary duty and in compliance with applicable laws and regulations, including but not limited to the Uniform Prudent Management of Institutional Funds Act.

This policy will be reviewed on an annual basis and updated as appropriate. The Finance Committee shall be responsible for the investment and reinvestment of funds and assets of the Allan Hancock College Foundation. Once approved by the Finance Committee, the document will be approved by the full Board of Directors at its regularly scheduled meeting.

In fulfilling its responsibilities under this Statement, the Finance Committee shall, among other activities, recommend to the Board of Directors the hiring and dismissal of investment managers, fiscal agents and other agents.

2. SCOPE

This Investment Policy Statement applies only to those assets for which the Foundation directors have discretionary authority. All other assets shall be managed in accordance with the guidelines established for those specific assets.

3. OBJECTIVES

The primary investment objectives of this policy are:

- To provide sufficient total return to support the scholarship program of AHC in a significant way and to support other educational programs wherever possible.
- To preserve and grow investment principal so that scholarship and educational programs can be supported over the long term.
- To maximize the total rate of return on Foundation assets consistent with reasonable standards of prudence and risk tolerance.
- To manage the Foundation's assets with a responsible sense of care, skill and diligence in all decisions.

4. POLICIES

4.1. Finance Committee

Investments are the responsibility of the Finance Committee acting under the direction of the Foundation Board. The college Associate Superintendent/Vice President,

Finance and Administration, is responsible for opening bank, brokerage, and safekeeping accounts, for executing such documents as may be necessary, and entering into investment manager agreements. As per Education Code 81655, only those persons delegated authority by the college's governing board and approved by the Foundation's board of directors shall be authorized to enter into a Power of Attorney agreement with investment managers and to execute transactions, upon approval of the Finance Committee. With the approval of the Finance Committee, the college president, college associate superintendent/vice president of administrative services and the Foundation executive director shall jointly establish a system of internal controls which shall be documented in writing. The internal controls shall be periodically reviewed and approved by the independent auditor for the Foundation. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees and directors of the Foundation.

4.2. Acceptable Investments

- 4.2.1. Obligations of the U.S. Government and U.S. Federal Agency Securities.
- 4.2.2. Certificates of Deposit in any U.S. commercial bank or savings institution provided that the collective amount in any one institution does not exceed FDIC/SAIF insurance limitations (per the Dodd-Frank Wall Street Reform and Consumer Protection Act, permanently insured at \$250,000 as of July 21, 2010). Limitation may be exceeded where the banking institution or its parent has an investment rating of at least "A" by Moodys, Standard & Poors and/or Fitch's rating service. This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.3. Corporate notes, bonds and commercial paper provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service. This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.4. Convertible bonds. Provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service. This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.5. Money Market Mutual Funds
- 4.2.6. Equities. U.S. Domestic securities with market capitalization's of at least \$250 million that are traded on one of the major U.S. exchanges. (This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.7. Foreign Equities. Traded as American Depository Receipts (ADR's). This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.8. Mutual Funds and separately managed accounts that are diversified holdings of equities in particular market capitalization groups and asset styles.
 - 4.2.8.1. Large Cap – Growth
 - 4.2.8.2. Large Cap – Value
 - 4.2.8.3. Large Cap – Blend
 - 4.2.8.4. Mid Cap – Growth
 - 4.2.8.5. Mid Cap – Value
 - 4.2.8.6. Mid Cap – Blend
 - 4.2.8.7. Small Cap – Growth
 - 4.2.8.8. Small Cap – Value
 - 4.2.8.9. Small Cap – Blend
 - 4.2.8.10. Emerging Markets
 - 4.2.8.11. International (by size, style and geography)

- 4.2.9. Exchange Traded Index Funds
- 4.2.10. Real Estate may be held provided it is the result of a gift to the AHC Foundation and the Finance Committee has determined that it either generates sufficient rental income to justify the cost of ownership or there is a compelling need for the property at some point in the future that justifies holding the property.
- 4.2.11. Real Estate Investment Trusts (R.E.I.T.'s), as well as mutual funds and separately managed portfolios investing in real estate.
- 4.2.12. Alternative Investments such as hedge funds may be used as an additional investment vehicle to enhance returns, reduce volatility, and expand the diversification of Foundation assets.
- 4.2.13. Mortgage Backed Securities and CMO's (excluding PAC bonds, IO's, PO's, residual bonds, etc.) may be used. These securities shall be treated as part of the Foundation's fixed income asset class.
- 4.2.14. Cryptocurrency (can be individual cryptocurrency or held in funds)

4.3. Prohibited Investments

The AHC Foundation will not invest directly in these investments. However, it is expressly understood that through our investing in certain Hedge Funds, Mutual Funds, separately managed accounts, or Alternative Investments, these fund managers may in turn be investing in certain of these instruments as part of their investment strategy.

- 4.3.1. Commodities and Futures Contracts
- 4.3.2. Private Placements
- 4.3.3. Options
- 4.3.4. Limited Partnership (does not apply in cases of Alternative Investment funds established as LLP)
- 4.3.5. Venture Capital Investments
- 4.3.6. Derivative instruments (except mortgage backs and CMO's)
- 4.3.7. Short selling, puts, calls
- 4.3.8. Margin transactions
- 4.3.9. Oil and gas or natural resource properties
- 4.3.10. Art objects or other collectibles
- 4.3.11. Private stock issuance

4.4. Diversification and Asset Allocation

Diversification is recognized by the Finance Committee as a critical tool to balance risk, return, and correlation characteristics of different asset classes in the Foundation's overall investment structure. The AHC Foundation has established the following optimal allocation of assets when investing new monies. Realizing that these strategic optimal allocation targets may have to be adjusted in certain market conditions, it has also established maximums and minimums to cover these conditions.

Recommended Allocation

<u>Asset Class*</u>	<u>Minimum</u>	<u>Maximum</u>
Total U.S. Equities	30%	85%
- Large Cap Equities	10%	50%
- Mid Cap Equities	0%	20%
- Small Cap Equities	0%	15%
International Equities	10%	50%
Fixed Income	15%	40%
Other (R.E.I.T.'s Hedge Funds, Alternatives, etc.)	0%	25%

*These targets relate to non restricted long term funds under management such as the endowment funds which support scholarships and programs. The foundation may make exceptions for donors who require investments that fall outside these guidelines.

4.5. Investment Consultants and Managers

Acting on instructions from the Finance Committee, the Foundation may enter into an agreement with an investment consulting service to advise in the selection of qualified investment managers, preparation of investment policy statements, and the monitoring and review of the manager performance.

The investment consultant shall be independent of any selected investment manager.

Any professional investment manager(s) retained by the Foundation must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisory Act of 1940. The firm must be registered in its state of domicile and have been in business a minimum of five years.

The Finance Committee may also choose to utilize the services and strategy of a Community Fund or other manager that has its own investment policy. If this is desirable, the Finance Committee will execute a due diligence review of the firm's investment policy to understand compatibility with AHC's goals and objectives.

4.6. Meetings, Reporting and Communication

The Finance Committee of the AHC Foundation will meet regularly, generally quarterly and in no event less than quarterly. The committee is responsible for reporting the results of its discussions and decisions to the Executive Committee of the Board of Directors. Also, on a quarterly basis, it will report to the full Board of Directors at its regular quarterly meeting the following key information:

4.6.1. Period-to-date financial results

4.6.2. Period-to-date financial results vs. budget

4.6.3. Investment Portfolio results to date

4.6.4. Current Investment Portfolio valuations

4.6.5. Other pertinent investment and financial information as appropriate.

4.7. Evaluation of Performance

Fund managers will be evaluated on at least an annual basis. Their performance over a sufficiently long-time horizon (at least 3 to 5 years) shall be compared to indices of similar style funds (e.g. – S & P 500, Russell 3000, etc.) and/or comparable benchmarks. Managers who consistently under perform versus appropriate benchmarks over longer time horizons will be replaced unless compelling evidence exists to suggest that the funds performance has returned to, or is about to return to, an acceptable level.

5. DONATIONS

The Finance Committee will demonstrate “due diligence” in considering donations other than cash or liquid assets. It is recommended, and in some cases required, that the donor provide an assessment and/or valuation report. If the Foundation is required to pay for the study, the study will be performed to furnish reassurance that “due diligence” was performed, should problems arise. In consideration of a gift of real estate, the committee shall use a qualified environmental consultant to provide an environmental site assessment to disclose any contamination problems or other potential problems. The committee will also consult a

lawyer to interpret any legal ramifications or liabilities. The Finance Committee will make a recommendation to the Executive Committee to accept or reject the gift offer.

6. CONFLICT OF INTEREST

A conflict would result from any transaction in which the college or the Foundation is a party, in which an “interested person” had a direct or indirect material financial interest. For this purpose, an “interested person” is any director, officer, or employee of the Foundation. Anyone with a conflict of interest shall be precluded from the discussion and the decision making of that transaction.

Additionally, on an annual basis, all members of the Finance Committee shall sign the Foundation’s “Statement of Conduct, Commitment, and Conflict of Interest”, a copy of which will be available for public review in the Foundation office.

7. CONCLUSION AND CERTIFICATION

This Investment Policy Statement is designed to be used as a guideline to assist the AHC Foundation Board of Directors, the Finance Committee, and any Investment Consultants or Managers. It should be viewed as a flexible document whose purpose is to assist all parties in the management of the Foundation’s assets.

The following Finance Committee members have reviewed and approved this Investment Policy Statement at the meeting held via Zoom on January 13, 2021:

Finance Committee – Chair	Glenn Owen
Committee Director	Lee-Volker Cox
Committee Director	James E. Fields
Committee Director	Judy Frost
Committee Director	Peggy Hesse
Committee Director	Eric D. Smith

Review: 10/13/2021

Approved: 1/13/2021

Approved: 7/10/2019

Approved: 3/28/2018

Approved: 9/22/2016

Allan Hancock College Foundation
General Operations Sustainability Plan

Unrestricted Revenue	Actual 2018-2019	Actual 2019-2020	Actual 2020-2021	Actual 2021-2022	Approved		Projected 2023-2024	Projected 2025	Projected 2024-2026	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
					Budget 2022-2023	2023-2024						
General Operations Unrestricted Contributions	\$ 64,624	\$ 65,104	\$ 79,178	\$ 34,345	\$ 40,000	\$ 42,000	\$ 44,100	\$ 46,305	\$ 48,620	\$ 51,051		
PPP Loan Forgiveness Income	\$ -	\$ 48,752	\$ 12,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Transfer In (District support)	\$ 71,962	\$ 56,911	\$ 73,240	\$ 78,689	\$ 83,580	\$ 87,759	\$ 92,147	\$ 96,754	\$ 101,592	\$ 106,672		
Other Transfer In (District Operational)	\$ -	\$ 123,000	\$ 123,000	\$ 123,000	\$ 233,555	\$ 245,233	\$ 257,494	\$ 270,369	\$ 283,888	\$ 298,082		
Interest and Investment Income	\$ 24,623	\$ 25,498	\$ 18,907	\$ 26,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Income	\$ 425	\$ 736	\$ 91	\$ 249	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consulting Group Advisor - Unrealized Gain/Loss	\$ 26,629	\$ (18,299)	\$ 88,664	\$ (63,494)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration Fee 1.5%	\$ 87,895	\$ 106,803	\$ 124,997	\$ 127,393	\$ 113,000	\$ 118,650	\$ 124,583	\$ 130,812	\$ 137,352	\$ 144,220		
Hancock Promise 1.5% fee	\$ 3,602	\$ 31,891	\$ 19,516	\$ 6,647	\$ 5,000	\$ 5,250	\$ 5,513	\$ -	\$ -	\$ -	\$ -	\$ -
President's Circle 15% fee	\$ 7,360	\$ 5,527	\$ 7,660	\$ 9,100	\$ 8,250	\$ 8,663	\$ 9,096	\$ 9,550	\$ 10,028	\$ 10,529		
F. Young Endowment Proceeds	\$ 87,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hansen Unrestricted Endowment Proceeds	\$ 16,100	\$ 11,271	\$ 7,631	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M. Sjovold Memorial Endowment Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madsen Unrestricted Endowment Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Title III Unrestricted Endowment Transfers	\$ -	\$ 121,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Endowment Proceeds	\$ 3,650	\$ 3,400	\$ 6,100	\$ 5,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Unrestricted Revenue	\$ 394,060	\$ 582,330	\$ 561,982	\$ 357,399	\$ 488,485	\$ 512,554	\$ 537,932	\$ 558,790	\$ 586,480	\$ 615,554		
General Operations Expenses												
Total General Operating Expenses	\$ 379,766	\$ 348,254	\$ 355,110	\$ 344,765	\$ 488,485	\$ 512,554	\$ 537,932	\$ 558,790	\$ 586,480	\$ 615,554		
Beginning Fund Balance, July 1	\$ 140,801	\$ 155,095	\$ 389,171	\$ 596,043	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677
Ending Fund Balance, June 30	\$ 155,095	\$ 389,171	\$ 596,043	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677	\$ 608,677
Unrestricted Quasi Endowments												
<i>Northern Trust, F. Young Endowment, balance</i>	\$ 859,171	\$ 722,878	\$ 1,190,222	\$ 1,190,222	\$ 972,777	\$ 1,021,416	\$ 1,072,487	\$ 1,126,983	\$ 1,184,204	\$ 1,244,287		
Projected 5% market increase		\$ -	\$ -	\$ (217,445)	\$ 48,639	\$ 51,071	\$ 54,496	\$ 57,221	\$ 60,082	\$ 63,086		
Drawdown	\$ (87,190)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Balance	\$ 771,981	\$ 722,878	\$ 1,190,222	\$ 972,777	\$ 1,021,416	\$ 1,072,487	\$ 1,126,983	\$ 1,184,204	\$ 1,244,287	\$ 1,307,373		
<i>Hansen Memorial Endowment, beginning balance</i>	\$ 234,828	\$ 160,233	\$ 148,962	\$ 193,749	\$ 151,211	\$ 158,772	\$ 166,710	\$ 175,046	\$ 183,798	\$ 192,988		
Projected 5% market increase			\$ 52,418	\$ (33,537)	\$ 7,561	\$ 7,939	\$ 8,336	\$ 8,752	\$ 9,190	\$ 9,649		
Drawdown	\$ (64,773)	\$ (11,271)	\$ (7,631)	\$ (9,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Balance	\$ 170,055	\$ 148,962	\$ 193,749	\$ 151,211	\$ 158,772	\$ 166,710	\$ 175,046	\$ 183,798	\$ 192,988	\$ 202,637		
<i>M. Sjovold Memorial End., beginning balance</i>	\$ -	\$ 175,694	\$ 378,132	\$ 378,132	\$ 309,263	\$ 324,726	\$ 340,963	\$ 358,011	\$ 375,911	\$ 394,707		
Projected 5% market increase			\$ -	\$ (68,869)	\$ 15,463	\$ 16,236	\$ 17,048	\$ 17,901	\$ 18,796	\$ 19,735		
Drawdown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Balance	\$ -	\$ 175,694	\$ 378,132	\$ 309,263	\$ 324,726	\$ 340,963	\$ 358,011	\$ 375,911	\$ 394,707	\$ 414,442		
Unrestricted Quasi Endowment Balance, June 30	\$ 942,036	\$ 1,047,533	\$ 1,762,103	\$ 1,433,251	\$ 1,504,914	\$ 1,580,160	\$ 1,660,040	\$ 1,743,914	\$ 1,831,981	\$ 1,924,452		

* The projected assumption is a 5% increase in revenue and expenses for projected fiscal-year budgets.

Updated: 10/13/2022

Notice of Quarterly Meeting
Allan Hancock College Foundation Board of Directors
 Thursday, October 27, 2022
 4:00 p.m. – 6:00 p.m.
 Allan Hancock College Boardroom, Building B
 800 South College Drive, Santa Maria, CA 93454

AGENDA

	Page	Time
1. Call to order		4:00 p.m.
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 – October 27, 2022 (ACTION)		4:01 p.m.
5. Approval of Minutes – July 28, 2022 Board of Directors Quarterly Meeting (ACTION)	1-5	4:02 p.m.
6. Welcome and Remarks from Board President – Maggi Daane (Information)		4:03 p.m.
7. Presentation: College Corps Program with Thomas Lamica, interim dean, academic affairs		
8. Finance Committee (ACTION)	6	4:05 p.m.
8.A. Approval of Financial Statements through 8/31/22	7-14	
8.B. Review and Consideration of Investment Policy Statement	15-21	
8.B. Annual Review of Operating Budget Sustainability Plan	22	
9. Advancement Committee (Information)		4:35 p.m.
9.A. Foundation Giving Report and Hancock Promise Campaign Update	23-24	
9.B. President’s Circle Subcommittee Report	25	
9.C. Scholarship Subcommittee Report	26	
10. Oral Reports (Information)		5:25 p.m.
10.A. Executive Director, College Advancement – Jon Hooten		
10.B. College Superintendent/President – Kevin Walthers		
10.C. College Trustee – Jeffrey Hall		
10.D. PCPA Foundation Representative – Jim Bray		
10.E. Faculty Representative – Nichole Dechaine		
10.F. Student Representative – Edianna Ysip		
10.G. Members of the Board of Directors – General Announcements		

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| 11. Consideration of New Business (Information) | 5:55 p.m. |
| 12. Next Meeting – Thursday, January 26, 2023 4-6 p.m. (Information) | |
| 13. Adjourn (ACTION) | 6:00 p.m. |

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.



Jon Hooten, Ph.D.
Executive Director
Allan Hancock College Foundation