



**Joint Meeting of Executive and Finance Committees
Wednesday, April 8, 2020 ❖ 4:00 – 5:15 PM**

Teleconference

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

AGENDA

	Page	Tentative Time
1. Call to Order		4:00 p.m.
2. Roll Call		4:01 p.m.
3. Public Comment		
<i>This section of the agenda is intended for members of the public to address the Finance Committee and Executive Committee on items involving the Foundation that are being considered in Open Session. 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 April 8, 2020 (ACTION)		4:02 p.m.
5. Approval of Minutes		4:03 p.m.
5.A. Minutes of January 8, 2020, Finance Committee Meeting (ACTION)	1-3	
5.B. Minutes of January 8, 2020, Executive Committee Meeting (ACTION)	4-7	
5.C. Minutes of January 15, 2020, Finance Committee Meeting (ACTION)	8-11	
6. Opening Remarks – Lee-Volker Cox and Jon Hooten		4:05 p.m.
7. Review and Approval of Financial Statements (ACTION)	12	4:10 p.m.
7.A. Check Registers – 12/31/2019, 1/31/2020, 2/29/2020	13-23	
7.B. Contributions Report – 7/1/2019 – 2/29/2020	24	
7.C. Statement of Operations – 2/29/2020	25	
7.D. Statement of Financial Position – 2/29/2020	26	
7.E. General Operations Budget – 2/29/2020	27	
7.F. AHC Foundation Financial Overview - General Operations – 2/29/2020 (prepared by G. Owen)	28	
7.G. AHC Foundation Financial Overview - All – 2/29/2020 (prepared by G. Owen)	29	
7.H. AHC Foundation Financial Overview - Investments – 2/29/2020 (prepared by G. Owen)	30	



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| 8. Approval of 2020-2021 Operations Budget (ACTION) | 31-32 | 4:40 p.m. |
| 9. Approval of Proposed 2020-2021 Foundation Budget for District (ACTION) | 33-34 | 4:45 p.m. |
| 10. Endowment Scholarship and Program Funding – 2018-2019 (ACTION) | 35 | |
| 11. Independent 2018-2019 Auditor's Report (ACTION) | 36-63 | 4:50 p.m. |
| 12. Approval of Staffing Change – Appointment of Erin Gardner as permanent Operations Specialist (EC ACTION) | 64-65 | 5:05 p.m. |
| 13. Cancellation of April Quarterly Board Meeting (Information) | | 5:10 p.m. |
| 14. Next Meetings | | |
| • July 8, 2020 – Finance Committee, 2-3:30 p.m.; Executive Committee, 4-5 p.m.; Bldg. B, Captain's Room | | |
| • July 23, 2020 – Annual Board Meeting, 4-6 p.m., Bldg. B. Boardroom | | |
| 15. Adjournment (ACTION) | | 5:15 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, Executive Director
Allan Hancock College – College Advancement

Finance Committee Members:

Glenn Owen, Chair
Lee-Volker Cox, Director
Jim Fields, Director
Judy Frost, Director
Peggy Hesse, Director
Eric Smith, AHC Vice President, Finance & Administration

Executive Committee Members:

Lee-Volker Cox, Chair
Jim Bray, Director
Robert Manning, Director
Mary Nanning, Director
Glenn Owen, Director
Jeff Hall, AHC Trustee
Kevin Walthers, AHC President/Superintendent

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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.

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE MEETING
Minutes of January 8, 2020**

A regular meeting of the Finance Committee was held on Wednesday, January 8, 2020, at 2:00 PM at Allan Hancock College, 800 South College Drive, Bldg. B – Captain’s Room, Santa Maria, California.

Call to Order

The meeting was called to order at 2:02 PM by Committee Chair Glenn Owen.

Roll Call

Finance Committee members present: J. Fields, J. Frost, P. Hesse, G. Owen, E. Smith

L. V. Cox arrived at 2:07 PM

Finance Committee members absent: None

College Staff present: J. Hooten, K. Seyfert

Foundation Staff present: N. Rucobo

Foundation Staff absent: M. Cox

Public Comment

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

Approval of Agenda

Chair Owen asked the committee to review the agenda for today’s meeting and called for a motion to approve the agenda. A correction to item 6.E appearing two times. Second item 6.E. should be 6.H.

MOTION: On a motion by Director Hesse, seconded by Director Frost, the agenda was approved as amended.

Approval of Minutes

Minutes of October 16, 2019

There was one amendment submitted by Chair Owen -- on page 3, Discussion of Multiple Investment Advisors, “The committee will discuss the amount of investments *advisors* after the January investment annual review”. *Advisors* should be inserted. Director Owen called for a motion to approve the minutes as amended.

MOTION: On a motion by Director Fields, seconded by Hesse, the minutes of October 16, 2019 were approved as amended.

Review and Approval of Financial Statements

Chair Owen presented the following financial statements to the committee:

Check Registers – 7/31/2019, 8/31/2019, 9/30/2019, 10/31/2019, and 11/30/2019.

Contributions Report – For the period of 7/1/2019 through 11/30/2019, the total contributions were \$997,532.

Banner Finance Statement of Operations: For the period ending 11/30/2019, the fund balance for the period was \$28,296,055.

Banner Finance Statement of Financial Position: For the period ending 11/30/2019, the total liabilities and fund balance were \$28,304,379.

*Banner Finance Foundation General Operations: The budget dated 11/30/2019, the revenue for the fiscal year as \$255,497; the expenses as \$131,297; the ending fund balance as \$124,200. Noted was the Revenue Account *Intrafund Transfer-In* with a year-to-date total of \$168,657 which includes Administration Fee from @ 1.5%, amount \$45,231; Hancock Promise gift fee @ 1.5%, \$1,691 and Title III Unrestricted Endowments, amount \$121,735.*

AHC Financial Overview – General Operations: The Financial Overview budget dated 11/30/2019, reported total actual support and revenue as \$224,495; total actual expenditures as \$123,297; and total liabilities and net assets as \$279,316. Noted was Miscellaneous expense budget includes Public Relations - \$500 and Equipment Rental - \$850.

AHC Financial Overview – All Foundation funds: The Financial Overview statement dated 11/30/2019, reported total contributions and support as \$996,976; total expenditures as \$930,687; and total liabilities and net assets balance as \$28,304,379.

AHC Foundation Financial Overview – Investments: As of 11/30/2019, cash and investment balance of \$26,140,905. Chair Owen prepares the report and includes opening and ending balances of reconciled statements. For future statements, staff will provide Investment activity and contributions/withdrawals for each account.

MOTION: On a motion by Director Fields, seconded by Director Frost, the Finance Committee approved the financial statements as submitted.

Approval of Revised 2019-2020 General Operations Budget (ACTION)

Allan Hancock College's approved 2019-20 annual budget includes \$123,000 as direct foundation operations support. The support will be provided over the next three years. An MOU between district and foundation is in the process of being drafted.

The support has allowed for revisions to the approval 2019-20 General Operations Budget. The revenue *District/Grant Contribution* budget recommendations from \$65,611 to \$188,611, and decreasing *Intrafund Transfer* from \$255,634 to \$133,059. The decrease to *Intrafund Transfer In* represents decreasing transfers in from the unrestricted Young and Hansen Endowments. The Young Endowment will not be reduced, and the Hansen Endowment will revised from \$98,500 to \$20,925.

MOTION: On a motion by Director Frost, seconded by Director Fields, the Finance Committee approved the revised 2019-20 General Operations Budget as submitted.

Pooled Investment and Endowment Reconciliation Report (INFORMATION)

At the Finance Committee meeting held on October 16, 2019, the committee requested staff prepare a report of the pooled regular and quasi endowments. Ms. Seyfert prepared and reviewed the endowment report as of November 30, 2019, and explained historically staff determines if a new endowment should be pooled or cover expenses. Further, she explained the Foundation has more invested than pooled which is fortunate. The reason is the foundation has not always drawn down proceeds depending on market conditions and cash on hand. The endowment funds balance is \$25,520,146.

The five non-pooled endowments include AHC Music (Boyd) Program - \$2,450,102; Bartleson/Osher - \$121,564; Patricia J. Boyd Fund - \$13,083,756; Don Lahr Family Scholarship Endowment - \$57,158; and Young Endowment - \$817,880---totaling \$16,530,459. Ms. Seyfert recommended non-pooled endowments that fund be drawn down annually. Further, Ms. Seyfert explained an example of the value of drawing down a non-pooled endowment is the Don Lahr Family Scholarship Endowment. The endowment did not have drawdowns for a few years. The investment has grown to \$69,394, but the book value is \$57,158.

The pooled endowment fund balance is \$8,989,687. The endowment investment is held Morgan Stanley and Monarch Wealth Strategy. The pooled endowment and accessed the 1.5% administrative fee and is \$8,387,257. The Hancock Promise endowment fund balance is \$1,692,524 and the Foundation does not receive a 1.5% administrative fee from the endowment. The committee thanked Ms. Seyfert for the report.

Endowment Scholarship & Program Funding 2019-2020 (ACTION)

Mr. Hooten presented the endowment funding spreadsheet and mentioned each year staff prepares the spreadsheet, and according to Foundation's Endowment Funding Policy the endowment value will fund 103% to 105% of corpus value and can exceed 105% if approved by foundation board with an annual review date of November 30th. The process begins with a review of each endowment value and application of the approved funding policy formula. Further, Mr. Hooten explained staff is recommending funding at 4% level for scholarships and programs with the stipulation of scholarships not funding at the 4% level, will be increased to that level. Director Cox asked if the larger funding amounts is divided between several students receiving awards. Ms. Rucobo explained larger funding will be awarded to several recipients. The committee discussed funding 3% to 5% next year at the level the endowment funds as opposed to a recommended amount for all endowments.

MOTION: On a motion by Director Owen, seconded by Director Cox, the Finance Committee approved the 2019-2020 endowment funding at 4% based on the review date of November 30, 2019, with the exception of those endowments that do not fund the minimum scholarship requirement, the endowment will fund between \$250 and \$500.

Review of Proposed 2020-2021 Operations Budget (INFORMATION)

Staff has prepared the proposed operating budget for the upcoming fiscal period. The proposed budget which will presented for approval at the Finance Committee meeting held on April 8, 2020. The proposed budget includes total expenses/revenue as \$374,846. The following expense and revenue budget increase/decrease:

Staff salaries/Employee Benefits & Payroll Taxes: The budgeted amount of \$254,105 provides a 2% COLA for staff and a step increase for one position.

Brokerage Fees: The \$13,000 budget was decreased to \$5,000 since being released from the Title III grant. The Morgan Stanley Select UMA (Unrestricted) brokerage fees are accessed to the Foundation operating budget.

Intrafund Transfers-Out: The budget was decreased from \$31,500 to \$23,500 since being released from the Title III grant. The proposed 2020-21 amount of \$23,500 is for the annual scholarship banquet.

District/Grant Contribution – The district has permanently institutionalized the Foundation's Advancement Specialist position. The proposed budget amount for the position is \$70,690. In addition, the district will provide \$123,000 in direct operational support.

Review of Proposed 2020-2021 Foundation Budget for District (INFORMATION)

Staff has prepared the proposed 2020-2021 foundation budget for the district that includes all foundation funds—including operations, restricted, scholarship and endowments. The committee reviewed the proposed budget the includes revenue/expenditure total in the amount of \$2,722,677. The budget will be on the Finance Committee agenda for approval at the meeting held on April 8, 2020.

Next Finance Committee Meeting

The next scheduled meeting of the Finance Committee is Wednesday, April 8, 2020, at 2:00 PM, in the Captain's Room located in Building B at the Allan Hancock College Campus in Santa Maria.

Adjournment

With no further business to bring before the Finance Committee, the meeting was adjourned at 3:29 PM.

MOTION: On a motion by Director Smith, seconded by Director Cox, the meeting was adjourned at 3:29 PM.

**ALLAN HANCOCK COLLEGE FOUNDATION
A REGULAR MEETING OF THE EXECUTIVE COMMITTEE
Minutes of January 8, 2020**

A regular meeting of the Executive Committee was held on Wednesday, January 8, at 4:00 p.m. at Allan Hancock College, Captain's Room - Building B102, 800 South College Drive, Santa Maria, California.

1. Call to Order

Foundation board secretary, Mary Nanning, called the Executive Committee meeting to order at 4:02 p.m.

2. Roll Call

Present: Mary Nanning, Glenn Owen, Jim Bray, Jeff Hall, Bob Manning, Kevin G. Walthers, Lee-Volker Cox (*teleconference*)

College Staff: Jon Hooten

Foundation Staff: Natalie Rucobo

Absent: Guy Walker

Recorder: Natalie Rucobo

Kevin Walthers arrived at 4:04pm.

3. Public Comment

None

4. Approval of Agenda (ACTION)

MOTION: On a motion by Director Manning, seconded by Trustee Hall, the agenda for the January 8, 2020, Executive Committee meeting was approved by unanimous voice vote.

5. Approval of Minutes – October 16, 2019 (ACTION)

MOTION: On a motion by Director Owen, seconded by Director Cox, the minutes were approved by a voice vote. Trustee Hall and Dr. Walthers abstained.

6. 2020 College Trustee Appointments (Information)

The Allan Hancock College Board of Trustees, at its December 13, 2019, meeting, approved Trustee Jeffrey Hall to continue to serve as the representative to the Allan Hancock College Foundation Board. Trustee Greg Pensa will continue to serve as alternate.

7. Consent Agenda (ACTION)

The consent agenda items are full reports that are included in the agenda for review before the meeting by all directors. Directors may request to pull items from the consent agenda for further discussion. If no items are requested to be discussed in depth, the items are voted upon as a group.

The Executive Committee pointed out a correction that needed to be made in the Hancock Promise committee report on page 8 of the committee packet. "\$188,500" figure in the title of the Centennial Fund section will be changed to reflect the correct \$193,500.

MOTION: On a motion by Director Owen and seconded by Director Manning, the consent agenda was accepted as discussed by unanimous voice vote.

8. Finance Committee

8.A. Review of Financial Statements through 11/30/2019 (ACTION)

Director Owen presented on the financial statements for the Foundation, reconciled through November 30, 2019.

Director Owen noted that money from the Boyd endowment is allocated to three different investment accounts all representing funding used for construction of the new fine arts building.

MOTION: On a motion by Director Bray and seconded by Trustee Hall, the financial statements through November 30, 2019, were approved by unanimous voice vote.

8.B. Review of Revised 2019-2020 Operating Budget (ACTION)

The Foundation's 2019-2020 operating budget has been revised to reflect the district's support of \$123,000 per year for three years. The revised budget also shows the Foundation's decreased use of the Young and Hansen endowments to supplement the operating budget.

MOTION: On a motion by Trustee Hall and seconded by Director Manning, the revised operating budget was approved by unanimous voice vote.

8.C. Endowment Scholarship and Program Funding 2019-2020 (ACTION)

The Finance Committee recommends to approve funding the Marian Hancock Scholarship Endowment at \$10,000 with additional staff-identified funding.

MOTION: On a motion by Director Manning and seconded by Trustee Hall, the Executive Committee approved funding the Marian Hancock Endowment Scholarship at \$10,000 by unanimous voice vote.

The Finance Committee recommends approval of all other endowment scholarship and program funding at 4% with a minimum of \$500 on staff-identified endowments.

MOTION: On a motion by Director Bray and seconded by Director Manning, the Executive Committee approved all other endowment scholarship and program funding at 4% with a minimum of \$500 on staff-identified endowments by unanimous voice vote.

9. Master Agreement between Foundation and District (ACTION)

A new master agreement between the Foundation and district has been drafted to accommodate the newly approved funding of \$123,000 per year for three years to support the Foundation's operations.

Dr. Hooten noted a correction to be made on page 16 to strike the last sentence of Section II. Provision of Funds: "College funds shall be limited to annual grants and require annual reporting."

MOTION: On a motion by Trustee Hall and seconded by Director Cox, the Master Agreement was approved as amended by unanimous voice vote.

10. Foundation Resolution 2020-01 Authorization of Savings, Checking, and Investment Account Signatures (ACTION)

Foundation Resolution 2020-01 authorizes the following individuals as signatories for the Allan Hancock College Foundation savings, checking, and investment accounts:

- Kevin G. Walthers, Ph.D., Allan Hancock College Superintendent/President
- Eric D. Smith, Allan Hancock College Associate Superintendent/Vice President, Finance and Administration
- Rebecca Holmes, Allan Hancock College Business Services Director
- Robert Curry, Ph.D., Allan Hancock College Associate Superintendent/Vice President, Academic Affairs

MOTION: On a motion by Dr. Walthers and seconded by Director Owen, Resolution 2020-01 was approved by unanimous voice vote.

11. Governance and Nominations Committee

11.A. New Board Member Nomination – Susan Appel (ACTION)

The Governance and Nominations Committee has submitted a board member nomination for Susan Appel. Ms. Appel served as the liaison for Rabobank for former Foundation Director Dan Stevens, and is now Talent Acquisition Specialist for Mechanics Bank.

MOTION: On a motion by Director Manning and seconded by Trustee Hall, Ms. Appel's nomination was approved by unanimous voice vote.

11.B. Creation of Advancement Committee (ACTION)

The Governance and Nominations Committee has approved the creation of an ad hoc Advancement Committee. The Advancement Committee charter outlines its objective to provide vision, leadership, and accountability for all Foundation fundraising and outreach efforts. The Advancement Committee will include subcommittees for the President's Circle and the Ambassadors programs.

MOTION: On a motion by Director Bray and seconded by Director Owen, the Advancement Committee charter was approved by unanimous voice vote.

11.C. Committees and Chairs for 2020 (ACTION)

The Governance and Nominations Committee has approved the proposed committees and chairs for 2020. Dr. Hooten directed the committee's attention to the proposed members for the new Advancement Committee as well as the President's Circle and Ambassadors subcommittees.

MOTION: On a motion by Trustee Hall and seconded by Director Manning, the 2020 committees and chairs were approved by unanimous voice vote.

12. AHC Foundation Employee Handbook (ACTION)

Dr. Hooten discussed the changes to the employee handbook including the addition of exempt status as an option to qualifying Foundation employees, and the increase in vacation from 12 to 15 days for short-term employees and up to 24 days for long-term employees.

This item was tabled to be discussed at the April 8, 2020, Executive Committee meeting to allow staff to research adding a conflict of interest section to the handbook.

13. Executive Director’s Report – Dr. Jon Hooten (Information)

The board retreat will take place on January 23, 2020 at the CoastHills corporate building in Santa Maria. It will include a panel of board members from other organizations to explore the qualities of engaged board members, an exercise to develop directors’ “elevator speeches”, as well as a discussion on board development and building community relationships. One of the goals of this retreat is to examine the Foundation’s board composition and identify gaps in representation.

14. Quarterly Board Meeting – January 23, 2020 Agenda Review

Proposed changes to the draft agenda for the quarterly board meeting in January include moving item 12 – Foundation Resolution 2020-01 to the consent agenda and moving the Marian Hancock Scholarship Endowment Funding to a separate action item under the Finance Committee.

MOTION: On a motion by Director Bray and seconded by Dr. Walthers, the agenda for the quarterly board meeting on January 23, 2020, was approved as amended by unanimous voice vote.

15. Consideration of New Business

Director Bray thanked the committee for ensuring the Title III endowment funding was released to the PCPA Foundation before the end of 2019.

16. Next Meeting - Wednesday, April 8, 2020, 4:00 pm

The Executive Committee will meet on Wednesday, April 8, 2020, on the Santa Maria campus in the Captain’s Room, B-102.

17. Adjourn

MOTION: On a motion by Director Bray and seconded by Trustee Hall, the regular meeting of the Executive Committee was adjourned at 4:51 pm by unanimous voice vote.

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE MEETING
January 15, 2020**

A regular meeting of the Finance Committee was held on Wednesday, January 15, 2020, at 9:20 AM at Allan Hancock College, 800 South College Drive, Bldg. A – A401, Santa Maria, California.

Call to Order

The meeting was called to order at 9:20 AM by Committee Chair Glenn Owen.

Roll Call

Finance Committee members present: J. Frost, J. Fields, P. Hesse, G. Owen, E. Smith

Finance Committee members absent: L.-V. Cox

College Staff present: J. Hooten

Foundation Staff present: M. Cox, E. Gardner

Public Comment

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

Approval of Agenda

Chair Owen asked the committee to review the agenda for today's meeting and called for a motion to approve the agenda.

MOTION: On a motion by Director Frost, seconded by Director Hesse the agenda was approved on a roll call vote:

Ayes: J. Frost, J. Fields, P. Hesse, G. Owen, E. Smith

Noes: None

Abstentions: None

Santa Barbara Foundation – Ms. Cheri Savage and Mr. Neil Olipani

1. What is the current asset allocation (Equities, Fixed Income, Alternatives, Cash) of the investment?

The Foundation has selected the Focus Growth Blend. Focus Growth Blend is designed to achieve a total return equal to a greater than the foundation's spending needs and is similar to the Long-Term Endowment Portfolio. Distributions from the portfolio are not restricted by a spending policy. The portfolio investment is 100% liquid assets, including a diversified pool of global equities, fixed income, real assets, and cash. The portfolio is expected to exhibit slightly higher volatility.

2. What is your assessment of the investment's past performance (one year)?

As of November 30, 2019, the market value was \$1,090,093. The one -year return is 11.9%. The portfolio has been invested for 1 year and 5 months. Since the investment inception date, the return has been 6.8%.

3. What is your predicted assessment of the investment's Future performance (one year)?

Continue growing the investment and avoid withdrawing proceeds for several years. The anticipated annual return is 7.4%

4. How would you assess your practice's performance in adhering to the Foundation's investment policy and returning a reasonable rate?

SB Foundation's investment policy statement is reviewed annually to ensure that objectives remain relevant. The Board is in the process of revising the policy. Once approved, the Foundation will receive the policy. SB Foundation's investment policy statement limits rebalancing the portfolio and minimizes trading. The policy benchmark performance is derived by multiplying the long-term policy target for each asset class by the index return for each asset class. The Focus Growth Blend Portfolio is net of all investment related fees. The benefit of the Focus Growth Blend is the aggregate fees is .43% as of September 2019. SB Foundation is confident the policy practice is providing a reasonable and competitive rate of return.

Northern Trust – Mr. Louis Piscane

1. What is the current asset allocation (Equities, Fixed Income, Alternatives, Cash) of the investments?

Changing the allocation of the Boyd portfolio last July was a positive first step to meet the approaching need for upcoming construction funds. Further, the change to the Foundation’s investment policy for international stocks has enhanced the portfolio opportunity set and positioned it appropriately to capitalize on significant valuation differential between US and international stocks. Investors are conditioned for the administration’s unpredictability and the global economy is showing increasing stability.

2. What is your assessment of the investment’s past performance (one year)?

The portfolio earned just under 19% after fees, or a little more than \$1.5 million in 2019. Resilient economic data, especially in the U.S., has helped support financial markets and reduced investor concerns about possible recession. Northern Trust continues to favor “less risky” assets such as U.S. stocks and High Yield Bonds. The historical portfolio performance returns are year-to-date: 19.6%; three years: 8.1%; since inception: 6%.

3. What is your predicted assessment of the investment’s future performance recommendation (one year)?

The resilient economic data, especially in the U.S., has helped support financial markets and reduce recession concerns. Northern Trust’s forecast assessment of the next year’s performance is excellent with no recession. While U.S.-China trade tensions have not ended, but probably will not get any worse before the elections. Tensions with Iran remain at highest level in some time. Our investment philosophy remains consistent with the Foundation’s objectives. Investors fully expect a highly competitive cycle during election year. There is an expected federal rate cut.

4. How would you assess your practice’s performance in adhering to the Foundation’s investment policy and returning a reasonable rate?

Northern Trust’s investment philosophy is consistent with the Foundation’s objectives. Exposing the portfolio to compensated risk factors, the Foundation can expect to earn more than reasonable rates of return going forward. The Northern Trust team has done a good job of both adhering to the Investment Policy and providing a reasonable and competitive rate of return. An asset allocation and performance summary as of 12/31/2019 was provided for the committee’s review.

Morgan Stanley – Mr. Eddie Murray and Ms. Jennifer Murray

1. What is the current asset allocation (Equities, Fixed Income, Alternatives, Cash) of the investments?

The current asset allocations are:

	Endowment Fund	Boyd Fund	Reserve
U.S. Equities	44%	46%	48%
International Equities	18%	15%	5%
Fixed Income & Preferred	34%	34%	42%
Total Alternatives	4%	3%	3%
Cash	0%	2%	2%

2. What is your assessment of the investment’s past performance (one year)?

The returns have been significant for the 2019 calendar year. The returns for Endowment Fund - 18.41%; the Boyd Fund – 19.43%; the Reserve – 18.43%. In 2018, the Boyd Fund allocation started updating to get in alignment with the Endowment Fund. Prior to that time, the funds were allocated more conservatively in anticipation of a shorter investment time horizon. The portfolio rebalances to the target allocation any time a capital change takes place. The Murray Group strives to achieve a reasonable rate of return while being mindful of risk and staying in compliance with the Investment Policy.

3. What is your predicted assessment of the investment’s future performance recommendation (one year)?

The forecasted annual returns for the Endowment Fund is 8.4% and the Boyd Fund 8.1%. The S&P 500 capped off an historic year for returns in the 2019 fourth quarter with its strongest finish since 2013. The forecasted performance for 2020 remains optimistic. Morgan Stanley’s market analysts expect range-bound trading to remain strong during 2020.

4. How would you assess your practice’s performance in adhering to the Foundation’s Investment Policy and returning a reasonable rate of return?

A monthly review of each Foundation account for overall portfolio performance, volatility, manager performance and account allocation. A target allocation for both the Endowment Fund and Boyd Fund are in line with the Foundation’s Investment Policy. The accounts are reviewed monthly to ensure they are in compliance. The Reserve Fund is not part of the policy, but reviewed similarly to the other Foundation funds. The Reserve fund uses a more conservative model. All three accounts automatically rebalance if there is a 5% variance to the target allocation. Performance Reports for 2019 were provided for the committee’s review.

Mechanics Bank – Mr. Todd McGinley and Mr. Todd McGinley

1. What is the current asset allocation (Equities, Fixed Income, Alternatives, Cash) of the investment?

The current asset allocations include:

	Boyd Fund
Equities	37.00%
International equities	15.70%
Taxable Bonds	34.60%
Alternatives	9.50%
Money Markets & Equivalents	3.20%

2. What is your assessment of the investment’s past performance (one year)?

The market returns had an excellent year, particularly the 4th quarter, with returns increased to nearly 9%. The economic growth has stabilized with optimism over the phase one trade deal with China. The result for the year was that the markets provided a very strong return.

3. What is your predicted assessment of the investment’s future performance recommendation (one year)?

An anticipated increase in market earnings is predicted for 2020. Analyst consensus estimates for each of the 500 companies in the S&P 500 suggest that we can expect an 8% increase in earnings. . During 2019, the impact of the trade war worked its way through the economy –those estimates gradually declined.

4. How would you assess your practice’s performance in adhering to the Foundation’s Investment Policy and returning a reasonable rate of return?

The Rabobank Investment Objective and Guidelines Statement indicates the Foundation selected a “Balanced” investment objective which is intended to provide long-term capital appreciation and current income. The objective is appropriate for moderately aggressive clients with intermediate to long-term investment time horizons who can also tolerate periods of negative returns during difficult markets in exchange for higher potential returns over time. The accounts automatically rebalances in keeping with the Investment Policy. The investment portfolio funds Morning Star rating is 40% of funds are 5 stars, 50% of funds are 4 stars, and 10% of funds are 3 stars. A 2019 Investment Review was provided to the committee for review.

Monarch Wealth Strategies – Mr. Aaron Clark

1. What is the current asset allocation (Equities, Fixed Income, Alternatives, Cash) of the investments?

The current asset allocations are:

U.S. Equities	45.30%
Fixed Income	28.20%
Alternatives	9.90%

Non-U.S. Equities	7.80%
Balanced	7.50%
Cash	1.30%

2. What is your assessment of the investment’s past performance (one year)?

After an approximate client fee of 1.07% and model expense ratio of .80%, the overall net portfolio returns for 2019 was 17.90%. This was within the expected risk/return profile. The portfolio outperformed the respective benchmark.

3. What is your predicted assessment of the investment’s future performance recommendation (one year)?

With the forecasted 8% - 10% returns for equities and flat returns for fixed income, we would anticipate performance somewhere between 5% - 8% net of fees in 2020. However, past performance is no guarantee of future results.

4. How would you assess your practice’s performance in adhering to the Foundation’s Investment Policy and returning a reasonable rate of return?

While adhering to the Foundation’s Investment Policy Statement, the portfolio performance has been closely aligned with the relevant benchmark. The portfolio allocation is reviewed against the Investment Policy on a quarterly basis. With the restrictions in mind, the rate of return has been within the expectations for this risk/return profile. A 2019 Account Summary was provided for the committee’s review.

Discussion

The committee recognized the advisors presentations were informative and beneficial for 2020 decision making. The need for multiple advisors and a review of the Investment Policy to include high-yield bonds will be discussed at the next Finance Committee meeting.

The next meeting is scheduled on Wednesday, April 8, 2020, 1:30 – 3:00 PM, Bldg. B – Captain’s Room.

Adjournment of Finance Committee

With no further business, the Finance Committee meeting was adjourned at 12:04 PM.

MOTION: On a motion by Director Frost, seconded by Director Hesse, the Finance Committee approved the adjournment of the meeting at 12:04 PM by unanimous vote.

To: Executive and Finance Committees	ACTION
From: Glenn Owen, Chair Finance Committee	April 8, 2020
Subject: Review and Approval of Financial Statements	

BACKGROUND

A review of the Allan Hancock College Foundation financial statements through 2/29/2020.

7.A. Check Registers	12/1/2019 – 2/29/2020	pg. 10 - 11
7.B. Contributions Report	7/1/2018 – 2/29/2020	pg. 11
7.C. Statement of Operations	2/29/2020	pg. 12
7.D. Statement of Financial Position	2/29/2020	pg. 13
7.E. General Operations Budget	2/29/2020	pg. 14
7.F. AHC Foundation Financial Overview - General Operations (prepared by G. Owen)	2/29/2020	pg. 15
7.G. AHC Foundation Financial Overview - All (prepared by G. Owen)	2/29/2020	pg. 16
7.H. AHC Foundation Financial Overview - Investments (prepared by G. Owen)	2/29/2020	pg. 17

RECOMMENDATION

Glenn Owen, Finance Committee chair, recommends approval of the financial statements as submitted.

**Allan Hancock College
Check Register
Check Dates from 12/1/2019 to
12/31/2019**

Vendor Name	Description	Bank Code: FN	Amount	Check
AHC District	RMB Lean Six Sigma Training EG111219		\$177.00	
	RMB P/R Math Center Srudent Tutor Oct 2019		\$81.62	
	RMB Kiwanis Club Dues NO Aug 2019		\$39.00	
			<u>\$297.62</u>	FN 83000756
All American Screen Printing Inc	Foundation Staff Jackets		\$380.63	
			<u>\$380.63</u>	FN 83000757
Cardmember Service	Fd Sppls Mtg Luncheon C Bormes & JH 102119		\$26.81	
	Fd Sppls HP Reception 110319		\$43.48	
	Dry Cleaning AA Cleaners Tablecloths		\$48.00	
	Fd Sppls Prez Circle Event		\$43.48	
	Econalliance Annual Dinner 112119		\$638.15	
	Fd Sppls HP reception		\$36.90	
	Fd Sppls Conference 110419		\$36.54	
	Ldg Blackbaud Conf 10/14-18/19 NR		\$849.78	
	Fd Sppls Board Mtg 102219		\$51.37	
	Constant Contact Monthly Fee		\$90.25	
	Sppls Fdtn Office		\$5.43	
	Fd Sppld office water		\$5.19	
	Sppls HP Reception		\$152.05	
	Fd Sppls HP reception caterer		\$435.00	
	Fd Sppls HP reception		\$6.18	
	Sppls Office		\$29.15	
	Sppls HP reception		\$142.49	
	Fd Sppls HP reception		\$32.50	
	Fdtn Postage Stamps		\$110.00	
	Fd Sppls Prez Circle event		\$123.52	
	Sppls Prez Circle event		\$492.97	
	Sppls Prez Circle event		\$134.48	
	Sppls Prez Circle event		\$194.84	
	Sppls Prez Circle event		\$141.02	
	Fd Sppls ACCT Conference 101819		\$204.00	
	Fd Sppls Mtg 101719 GPensa & KW		\$59.00	
	Fd Sppls Mtg 103019 JH, HNC, VC, KW		\$40.00	
	Fd Sppls Mtg 110119 RM, NO, KW		\$65.00	
	Fd Sppls Mtg 103119 RM, KW		\$50.00	
	Fd Sppls Mtg 103119 MM, CC, KW		\$98.00	
	PCPA Little Mermaid tickets 111719		\$161.00	
	Fd Sppls Admin Team Training 110519		\$301.73	
Fd Sppls Special Olympics Crab Feed Tkts 110119		\$180.00		
Fd Sppls Mtg 110619 LC KW		\$61.00		
Fd Sppls Mtg 111319 LL, KW		\$42.00		
Reverse Charged Transaction 101719		(\$200.00)		
			<u>\$4,931.31</u>	FN 83000758
Joanna Davis	Fd Sppls LVC-EOPS Oct 2019		\$45.25	
			<u>\$45.25</u>	FN 83000759
E Group Inc.	Sppls SkillsUSA blazer		\$198.00	
	Sppls SkillsUSA banner		\$83.00	
	Sppls Table drape		\$110.00	

**Allan Hancock College
Check Register
Check Dates from 12/1/2019 to
12/31/2019
Bank Code: FN**

Vendor Name	Description	Amount	Check
		\$391.00	FN 83000760
First United Methodist Church	AHC Chorus Concert Facility Use 120819	\$320.00	
		\$320.00	FN 83000761
Jovi'S Delights	Fd Sppls SM Holiday Celebration 12/03-04/19	\$318.05	
		\$318.05	FN 83000762
Postmaster	Bulk mailing permit 103	\$213.43	
		\$213.43	FN 83000763
Santa Maria Sun LLC	Hancock Promise Ad	\$1,100.00	
	Hancock Promise ads	\$550.00	
	Hancock Promise ad	\$550.00	
		\$2,200.00	FN 83000764
Billy Vinnedge	RMB Fd Sppls Team Playoff Dinner 112019	\$719.63	
		\$719.63	FN 83000765
AHC Campus Graphics	Print End of Year Mailing	\$321.00	
	Hancock Promise Partner Return Card	\$279.00	
	HP Cent Circle Gold Card Design Only	\$30.50	
	Print Year End Appeal Envelopes	\$49.72	
		\$680.22	FN 83000766
Blackbaud Inc	Raisers Edge database Svc RE NXT Imp 11/01-02/19	\$45.00	
	Raisers Edge Database Dec 2019	\$1,000.00	
		\$1,045.00	FN 83000767
Cal Poly State University	Fall 2019 Schol M Cruz	\$1,000.00	
		\$1,000.00	FN 83000768
Vicki Hernandez	RMB Sppls 2019 Angel Tree Gifts	\$103.02	
		\$103.02	FN 83000769
Lee Central Coast Newspapers	Advertising Community of Giving 2019	\$900.00	
		\$900.00	FN 83000770
Office Depot	Fdtn Office Waters	\$38.94	
	Fdtn Office Sppls	\$25.75	
	Fdtn Office Sppls	\$20.22	
		\$84.91	FN 83000771
Adelina Pozos	RMB Skills USA 2019/20 Conf Reg Fees	\$750.00	
		\$750.00	FN 83000772
Santa Barbara Foundation	HP End Investment AAUW SM Branch 111819	\$295.50	
	HP End Investment McCune Fdtn 111819	\$2,462.50	
	HP End Investment J Hooten 111819	\$98.50	
	HP End Investment L McNulty 111819	\$98.50	
	HP End Investment L Miyahara 111819	\$49.25	
	HP End Investment J Aiello 111819	\$82.08	
	HP End Investment J Famalette 112619	\$246.25	
	HP End Investment M Moreton 112619	\$68.95	
	HP End Investment B Manning 111519	\$98.50	
	HP End Investment M Daane 111519	\$15.76	
	HP End Investment M Rick 120419	\$197.00	

**Allan Hancock College
Check Register
Check Dates from 12/1/2019 to
12/31/2019**

Vendor Name	Description	Bank Code: FN	Amount	Check
Santa Barbara Foundation	HP End Investment M D Smith Fdtn 120419		\$23,640.00	
	HP End Investment B B Johnson 120419		\$985.00	
			<u>\$28,337.79</u>	FN 83000773
Santa Maria Breakfast Rotary Club	Monthly Dues KW Nov 2019		\$181.85	
			<u>\$181.85</u>	FN 83000774
State of CA Department Of Justice	Nonprofit Raffle App Fee 2020		\$20.00	
			<u>\$20.00</u>	FN 83000775
Testa Catering	Fd Sppls SM Holiday Celebration Beverages 120419		\$233.27	
			<u>\$233.27</u>	FN 83000776
The Rotary Club Of Santa Maria	Monthly Dues & Membership Fees BC July-Oct 2019		\$73.00	
			<u>\$73.00</u>	FN 83000777
Kevin Walthers	RMB Tkts BBQ Fundraiser 112319		\$360.00	
			<u>\$360.00</u>	FN 83000778
AHC District	Banner Schol Disb Nov 2019		\$8,018.04	
			<u>\$8,018.04</u>	FN 83000779
Cardmember Service	Sppls Prez Circle Pcpa Event 111619		\$162.57	
	Sppls Prez Circle Pcpa Event 111619		\$167.84	
	Sppls Prez Circle Pcpa Event 111619		\$71.62	
	Sppls Prez Circle Pcpa Event 111619		\$141.21	
	SB Foundation Celebrate Philanthropy		\$350.00	
	Constant Contact Monthly Fees		\$90.25	
	Sppls Fdtn Stnd Wrkr		\$18.36	
	Sppls Fdtn Office Sppls		\$5.43	
	SM Valley Chamber Touchstone Luncheon 120619		\$80.00	
	Sppls Fdtn Office Sppls		\$6.49	
	Wali Workforce luncheon 120619		\$38.77	
	Sppls Fdtn		\$10.86	
	Sppls Fdtn		\$15.66	
	Sppls Prez Circle Pcpa Event 111619		\$24.56	
	Fd Sppls Mtg 112119 JH TH		\$37.94	
	Network for Good Facebook donations Test		\$120.00	
	Sppls Angel Tree Gifts		\$245.00	
	Postage USPS Year End Mailing		\$495.00	
	Sppls Fdtn Office Sppls		\$4.52	
	Cabinet Retreat Ranchos de Ontiveros 111519		\$178.54	
	Fd Sppls Panera Bread		\$50.25	
	Fd Sppls Suvans Kitchen		\$90.78	
	Disputed Charge Credit BevMo HP Event		(\$43.48)	
Disputed Charge Interest Credit		(\$0.38)		
			<u>\$2,361.79</u>	FN 83000780
Fatte's Pizza of Santa Maria	Fd Sppls Gimme a Break Pizza 120619		\$432.16	
			<u>\$432.16</u>	FN 83000781

Allan Hancock College
 Check Register
 Check Dates from 12/1/2019 to
 12/31/2019

Vendor Name	Description	Bank Code: FN	Amount	Check
Adelina Pozos	RMB Sppls Hat & Mitten Drive Event		\$250.00	
			\$250.00	FN 83000782
			Total: \$54,647.97	

**Allan Hancock College
Check Register
Check Dates from 1/1/2020 to 1/31/2020
Bank Code: FN**

Vendor Name	Description	Amount	Check
AHC Campus Graphics	Vendor Solicitation VDP Mailer	\$73.32	
	Centl Circle Pkg Reprint	\$68.10	
	Ad Design PacBiz Times	\$84.00	
		<u>\$225.42</u>	FN 83000783
American Business Machines	Canon Copies 10/01/19 - 12/31/19	\$15.40	
		<u>\$15.40</u>	FN 83000784
Tyson Aye	RMB Fd Sppls MBkbl Team Dinner 121319	\$532.90	
		<u>\$532.90</u>	FN 83000785
Marlyn Cox	RMB Postage Cmmtee Mtgs Pckts	\$20.80	
		<u>\$20.80</u>	FN 83000786
Petra Gomez	RMB Fd Sppls Water Gimme a Break	\$44.76	
		<u>\$44.76</u>	FN 83000787
Stacy Krelle	RMB Sppls Angel Tree Party Crafts	\$87.45	
		<u>\$87.45</u>	FN 83000788
Michelle Machado	RMB Fd Sppls Angel Tree Party 120419	\$37.02	
		<u>\$37.02</u>	FN 83000789
Office Depot	Sppls Fdtn Office Calendar	\$38.92	
	Sppls Fdtn Office Ruler	\$4.01	
	Sppls Fdtn Office Sppls	\$25.64	
	Sppls Fdtn Office Sppls	\$22.38	
	<u>\$90.95</u>	FN 83000790	
AHC District	Payroll Nov 2019 Math Tutor	\$108.83	
	RMB Fd Sppls Luncheon 101519	\$13.04	
	RMB Fd Sppls Sprvr/Conf Luncheon 101019	\$11.38	
	Fdtn Schol Banner Dec 2019	\$2,833.00	
	<u>\$2,966.25</u>	FN 83000791	
Blackbaud Inc	Raisers Edge Database Jan 2020	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000792
James Harvey	RMB Fd Sppls Dept BBQ 122019	\$340.67	
		<u>\$340.67</u>	FN 83000793
PCPA	Quarterly Northern Trust Dist	\$18,662.00	
		<u>\$18,662.00</u>	FN 83000794
Veronica Reyes	RMB Sppls Angel Tree Event 120519	\$28.24	
		<u>\$28.24</u>	FN 83000795
Julie Rios	RMB LVC Staff Luncheon 122319	\$65.62	
		<u>\$65.62</u>	FN 83000796
Santa Maria Breakfast Rotary Club	Monthly Dues & Fees KW Dec 2019	\$356.85	
		<u>\$356.85</u>	FN 83000797
The Rotary Club Of Santa Maria	Monthly Dues and Membership Fees BC Dec 2019	\$62.50	

**Allan Hancock College
Check Register
Check Dates from 1/1/2020 to 1/31/2020
Bank Code: FN**

Vendor Name	Description	Amount	Check
		\$62.50	FN 83000798
AHC Campus Graphics	Hancock Promise SM Times Ad Design Only	\$84.00	
		\$84.00	FN 83000799
AHC District	Mailroom Charges Oct - Dec 2019	\$32.35	
		\$32.35	FN 83000800
Ferrabie Aiello	RMB Mlg 01/13-6/20	\$188.20	
		\$188.20	FN 83000801
Cal State University-Long Beach	Sp 2020 Schol J Radriguez	\$500.00	
		\$500.00	FN 83000802
Crossroads Self Storage, LLC	Storage Fees Hancock Film Collection	\$173.00	
		\$173.00	FN 83000803
Dakota State University	Sp 2020 Schol J Burtnett	\$2,500.00	
		\$2,500.00	FN 83000804
E Group Inc.	SkillUSA students uniforms	\$2,134.76	
		\$2,134.76	FN 83000805
Erin Gardner	RMB Mlg 12/06-19/19	\$5.68	
		\$5.68	FN 83000806
Rebecca Jacobs	RMB Sppls Comm Action Project	\$128.50	
		\$128.50	FN 83000807
Tiffany Lankford	RMB Fd Sppls Aspire Academy Mtg	\$71.06	
		\$71.06	FN 83000808
Adelina Pozos	RMB Fd Sppls Training 01/07-09/20	\$91.19	
		\$91.19	FN 83000809
Santa Barbara Foundation	HP End Investment GWalker 120219	\$98.50	
	HP End Investment GWalker 120219	\$98.50	
	HP End Investment PMcDermott 120719	\$492.50	
	HP End Investment DJCutler 120719	\$39.40	
	HP End Investment JHooten 120919	\$98.50	
	HP End Investment LMcNulty 120919	\$98.50	
	HP End Investment LMiyahara 120919	\$49.25	
	HP End Investment MDAane 121619	\$15.76	
	HP End Investment RManning 121619	\$98.50	
	HP End Investment MLombardi 121719	\$98.50	
	HP End Investment Eagle Fdtn 121719	\$24,625.00	
	HP End Investment DEames 121719	\$4,925.00	
	HP End Investment MGordon 121719	\$492.50	
	HP End Investment FAiello 121719	\$82.08	
	HP End Investment BNorris 122319	\$1,970.00	
	HP End Investment JFrost 122619	\$1,970.00	
	HP End Investment RMelsheimer 122719	\$1,477.50	
	HP End Investment LAcquistapace 122719	\$246.25	
	HP End Investment KMalecki 122719	\$246.25	
	HP End Investment JR Barto 122719	\$492.50	
	HP End Investment MLRabska 122719	\$985.00	

**Allan Hancock College
Check Register
Check Dates from 1/1/2020 to 1/31/2020
Bank Code: FN**

<u>Vendor Name</u>	<u>Description</u>	<u>Amount</u>	<u>Check</u>
Santa Barbara Foundation	HP End Investment WClewell 122719	\$591.00	
	HP End Investment VMadsen 122719	\$985.00	
	HP End Investment MMoreton 123019	\$4.92	
	HP End Investment LMiyahara 123019	\$49.25	
	HP End Investment LMcNulty 123019	\$98.50	
	HP End Investment MWright 123019	\$246.25	
	HP End Investment MBraun 123019	\$1,477.50	
	HP End Investment JHooten 123019	\$98.50	
	HP End Investment PWhitney 123119	\$73.87	
	HP End Investment RHunt 123119	\$98.50	
	HP End Investment SHoughton 123119	\$98.50	
	HP End Investment LJarrott 123119	\$98.50	
	HP End Investment AGrimmitt 123119	\$197.00	
	HP End Investment EPrieto-Chavez 123119	\$492.50	
	HP End Investment SPepe 123119	\$985.00	
	Clear Claim on Cash Unable to Reconcile	\$1,427.61	
	HP End Investment VSouza 120719	\$985.00	
		\$46,707.39	
Santa Maria Philharmonic Society	Tkts 092819 AHC Chorus students	\$105.00	
		\$105.00	FN 83000811
AHC Campus Graphics	Fdtn 2019 Yr End Donor Thank You Mailers	\$247.48	
	Fdtn Print Second Sheet	\$17.00	
	Fdtn Nametag K Lopez	\$5.00	
	\$269.48		FN 83000812
AHC District	RMB P/R Std Wrkr Dec 2019 Veteran's Center	\$81.62	
	RMB Sppls Culinary Class Recognition	\$289.50	
	RMB Sppls Spirit Week F2019	\$21.83	
	RMB Dues NO Kiwanis Fees	\$52.00	
	RMB Fd Sppls Cabinet Retreat 111519	\$239.86	
	RMB Fd Sppls Sprvsr/Conf Mtg 111419	\$108.75	
	RMB Fd Sppls Dream Ctr Open House 10/08-09/19	\$491.12	
	\$1,284.68		FN 83000813
Marlyn Cox	Reg Fee Ldrshp Mtg 100420	\$60.00	
	Postage Title III Mailing	\$7.00	
	\$67.00		FN 83000814
Jaffa Cafe	Fd Sppls Fdtn Board Retreat 012320	\$456.42	
	Delivery fee	\$25.00	
	\$481.42		FN 83000815
Kathleen Johnson	RMB Fd Sppls Staff Mtg 112619	\$24.73	
		\$24.73	FN 83000816
Jovi'S Delights	Fd Sppls Angel Tree Children Exchange	\$109.25	
	Fd Sppls Angel Tree Children Exchange	\$6.80	
	\$116.05		FN 83000817
Pacific Coast Business Times	Advertising Who's Who in Nonprofits Fdtns	\$1,800.00	

Allan Hancock College
Check Register
Check Dates from 1/1/2020 to 1/31/2020
Bank Code: FN

Vendor Name	Description	Amount	Check
		\$1,800.00	FN 83000818
Sacramento State University	Sp 2020 Schol S McAuliff	\$2,500.00	
		\$2,500.00	FN 83000819
University of Colorado Denver	Sp 2020 Schol K Noble	\$800.00	
		\$800.00	FN 83000820
		Total: \$84,601.32	

**Allan Hancock College
Check Register
Check Dates from 2/1/2020 to 2/29/2020
Bank Code: FN**

Vendor Name	Description	Amount	Check
AHC Foundation	Deposit to Active Assets	\$150,000.00	
		<u>\$150,000.00</u>	FN 83000821
Ferrabie Aiello	RMB Mlg 01/17-22/20	\$78.55	
		<u>\$78.55</u>	FN 83000822
Cardmember Service	Fd Sppls Staff Dinner 121319	\$223.18	
	Sppls Fdtn Office	\$11.81	
	Notary Svcs 121819	\$15.00	
	Fd Sppls Lunch Mtg JH & C Maddux 121819	\$62.80	
	Fd Sppls Donor Appreciation	\$785.60	
	Fd Sppls Mtg JH, DBerry & JMcGlothem 121919	\$73.99	
	Sppls HP Reception	\$43.48	
	Storage Fees Hancock Films Jan 2020	\$173.00	
	Facebook Advertising Yr End Promise	\$185.21	
	Flowers Condolence Sanders Family	\$124.99	
	Sppls Postage Scale	\$21.74	
	Postage Stamps	\$220.00	
	Constant Contact Monthly Fees	\$90.25	
	Dry Cleaning Tableclothes	\$107.55	
	Fd Sppls Mtg JA & JDale 011320	\$32.33	
	Fd Sppls Mtg JA & AMurkison 011420	\$39.79	
	Fd Sppls Career Ctr Staff 121319	\$155.00	
	Fd Sppls Mtg KW, CC, MM, RR, LM 121819	\$72.22	
	Sppls SkillsUSA Retreat 012420	\$400.00	
	Fd Sppls Yr End Staff Lunch 121319	\$307.35	
		<u>\$3,145.29</u>	FN 83000823
CDW Government Inc	Sppls Microsoft Surface Pro 6 LQ6-00016	\$1,022.37	
	Sppls Recycling Fee	\$5.00	
	Sppls Microsoft Surface Pro cover M1725	\$104.78	
		<u>\$1,132.15</u>	FN 83000824
Jon Hooten	RMB Mlg 081719-111619	\$133.34	
		<u>\$133.34</u>	FN 83000825
Rotary Club Of Lompoc	Lompoc Community Projects Event Tkts 022320	\$500.00	
		<u>\$500.00</u>	FN 83000826
Santa Ynez Valley Union High School	Support Safe & Sober Grad Nite 2020	\$100.00	
		<u>\$100.00</u>	FN 83000827
The Rotary Club Of Santa Maria	Dues & Membership Fees BC Nov 2019	\$88.50	
		<u>\$88.50</u>	FN 83000828
Chrystal Bryson	Student Assistance 020620	\$200.00	
		<u>\$200.00</u>	FN 83000829
AHC Campus Graphics	Fdtn Electronic LtrHead Design Only	\$21.00	
	Bonipak Fliers English/Spanish	\$54.78	
	Fdtn Board Book Jan 2020	\$105.36	
	Fdtn Board Composition	\$18.48	
	AHC Fdtn Letterhead	\$51.80	

**Allan Hancock College
Check Register
Check Dates from 2/1/2020 to 2/29/2020
Bank Code: FN**

Vendor Name	Description	Amount	Check
		\$251.42	FN 83000830
All American Screen Printing Inc	Sppls Admin Jacket S Abel	\$76.13	
	Sppls Admin Jackts Middleton, Pizano, Reed, Becker	\$304.50	
		\$380.63	FN 83000831
Blackbaud Inc	Raisers Edge Database Imp 16Hrs 01/12-25/20	\$2,880.00	
	Raisers Edge Database 02/01-29/2020	\$1,000.00	
		\$3,880.00	FN 83000832
CHOMP Burgers, Fries, Shakes, Inc.	Fd Sppls SkillsUSA Leadership Retreat 012420	\$301.08	
		\$301.08	FN 83000833
Marian Regional Medical Center Foundation	Support Coaches vs Cancer Fundraiser 012920	\$1,171.00	
		\$1,171.00	FN 83000834
Office Depot	Sppls Fdtn Office Files	\$138.05	
	Fdtn Office Postage Stamps	\$60.00	
		\$198.05	FN 83000835
Santa Maria Breakfast Rotary Club	Monthly Dues/Fees KW Jan 2020	\$156.35	
		\$156.35	FN 83000836
AHC District	Sppls SkillsUSA Workboots	\$120.00	
	Sppls Holiday Celebration	\$133.03	
	Fd Sppls Stdnt Thanksgiving Meal 120219	\$84.00	
	Fd Sppls Sprvsr/Conf Mtg 121219	\$391.79	
	Fd Sppls Firefighter Intw Mtg 120519	\$72.03	
	Fdtn Scholarships Jan 2020	\$10,075.00	
		\$10,875.85	FN 83000837
Deanna Cantrell	RMB Airfare Mesa Aspire Academy DC, TL, CL	\$1,358.40	
	RMB Sppls Aspire Academy	\$113.91	
		\$1,472.31	FN 83000838
Chef Caudillo Services	Fd Sppls Under the Sea PC Event 111619	\$1,944.00	
		\$1,944.00	FN 83000839
Jon Hooten	RMB Sppls HP Reception Planning	\$7.72	
		\$7.72	FN 83000840
Rotary Club Of Lompoc	Tkts Rotary Event 022320	\$500.00	
		\$500.00	FN 83000841
Santa Barbara Foundation	HP End Investment GWalker 011520	\$98.50	
	HP End Investment MDaane 011520	\$15.76	
	HP End Investment GWalker 011520	\$98.50	
	HP End Investment BNelson 011720	\$1,970.00	
	HP End Investment FJAiello 011720	\$82.08	
	HP End Investment Murray 012220	\$394.00	
	HP End Investment Comm Bank SM 012320	\$985.00	
	HP End Investment Toyota Dlr Match Prog 012320	\$2,462.50	
	HP End Investment MDominguez 020520	\$172.38	
	HP End Investment JHooten 020520	\$98.50	

**Allan Hancock College
Check Register
Check Dates from 2/1/2020 to 2/29/2020
Bank Code: FN**

Vendor Name	Description	Amount	Check
Santa Barbara Foundation	HP End Investment LMcNulty 020520	\$98.50	
	HP End Investment LMiyahara 020520	\$49.25	
	HP End Investment MMoreton 020520	\$4.93	
	HP End Investment Leutloff Trust 021320	\$1,353,452.05	
		<u>\$1,359,981.95</u>	FN 83000842
AHC District	Fdtm Passthrough Stenberg Hart Funds	\$25,000.00	
		<u>\$25,000.00</u>	FN 83000843
Ferrabie Aiello	RMB Mlg 02/06-20/20	\$94.88	
		<u>\$94.88</u>	FN 83000844
Calif State Univ-Channel Islands	Sp 2020 Scholarship N Esparza-Perez	\$1,500.00	
		<u>\$1,500.00</u>	FN 83000845
CoastHills Credit Union	Student Prepaid VISA Cards	\$300.00	
	Student Prepaid VISA Cards	\$650.00	
	Student Prepaid VISA Cards fee	\$28.00	
	PCPA Student Prepaid VISA Cards	\$1,000.00	
	PCPA Student Prepaid VISA Cards fee	\$35.00	
		<u>\$2,013.00</u>	FN 83000846
Crossroads Self Storage, LLC	Storage Fees Hancock Films Mar 2020	\$173.00	
		<u>\$173.00</u>	FN 83000847
CSU Stanislaus	Sp 2020 Scholarship A Camarena Morales	\$2,500.00	
		<u>\$2,500.00</u>	FN 83000848
Maya Restaurant	Fd Sppls Schol Banquet May 2020 Deposit	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000849
Adelina Pozos	RMB Sppls SkillsUSA Attire & Sppls	\$62.95	
	RMB Sppls SkillsUSA Attire	\$21.74	
	RMB Fd Sppls Skills USA Reg Conf 022220	\$81.18	
		<u>\$165.87</u>	FN 83000850
The Rotary Club Of Santa Maria	Dues/ Membership Fees BC Jan 2020	\$123.77	
		<u>\$123.77</u>	FN 83000851
The Shack of Lompoc, Inc.	Sppls CNA Student Uniform Tops	\$768.88	
	Sppls CNA Student Uniform Pants	\$587.86	
		<u>\$1,356.74</u>	FN 83000852
		<u>Total: \$1,570,425.45</u>	

Allan Hancock College Foundation
Contributions
July 1, 2019 through June 30, 2020

Account	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
General Operations	\$ 6,221	\$ 20,035	\$ 35	\$ 6,256	\$ 2,035	\$ 16,170	\$ 5,621	\$ 1,105					\$ 57,478
Non Cash Contribution													\$ -
Other Local Income			\$ 124	\$ 167	\$ 109	\$ -	\$ 907	\$ 305					\$ 1,612
District Grant Contributions	\$ 5,851	\$ 5,851	\$ 5,851	\$ 5,851	\$ 5,851	\$ 5,914	\$ 5,914	\$ 5,914					\$ 46,998
President's Circle	\$ 1,691	\$ 1,194	\$ 2,487	\$ 2,546	\$ 3,802	\$ 10,858	\$ 6,273	\$ 1,021					\$ 29,871
Restricted	\$ 1,500	\$ 12,358	\$ 1,897	\$ 2,554	\$ 273,888	\$ 3,600	\$ 25,800	\$ 7,662					\$ 328,259
Scholarships	\$ 34,396	\$ 9,060	\$ 33,299	\$ 30,903	\$ 31,961	\$ 47,700	\$ 34,270	\$ 23,736					\$ 245,325
Hancock Promise	\$ 25,642	\$ 29,358	\$ 9,260	\$ 172,157	\$ 23,791	\$ 91,758	\$ 6,199	\$ 1,407,048					\$ 1,765,214
Endowments	\$ 75,301	\$ 293,157	\$ 53,054	\$ 230,584	\$ 345,437	\$ 190,730	\$ 84,984	\$ 1,446,790					\$ 244,280
MONTHLY TOTALS	\$ 75,301	\$ 368,458	\$ 421,512	\$ 652,095	\$ 997,532	\$ 1,188,262	\$ 1,273,246	\$ 2,720,036					
CURRENT YTD TOTALS	\$ 75,301	\$ 368,458	\$ 421,512	\$ 652,095	\$ 997,532	\$ 1,188,262	\$ 1,273,246	\$ 2,720,036					
PRIOR YEARS CONTRIBUTIONS													
July 18 - June 19	1,646,016												
July 17 - June 18	2,547,577												
July 16 - June 17	1,167,156												
July 15 - June 16	1,766,065												
July 14 - June 15	1,354,736												
July 12 - June 13	11,662,226												
July 11 - June 12	774,857												
July 10 - June 11	907,673												
July 09 - June 10	941,725												
July 08 - June 09	1,053,236												
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												

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 02/29/2020**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
REVENUES:							
Contributions, Gifts, Grants & Endwmnts	0	57,478	2,124,343	245,325	244,280	0	2,671,426
District/Grant Contribution	0	46,998	0	0	0	0	46,998
Sales and Commission	0	0	885	0	0	0	885
Interest and Investment Income	0	18,320	686	0	0	423,297	442,304
Realized Gain/Loss on Invest	0	(964)	0	0	0	454,471	453,507
Unrealized Gain/Loss on Invest	0	(7,592)	0	0	0	(803,125)	(810,716)
Other Local Revenues	0	705	907	0	0	0	1,612
Total Revenues	0	114,945	2,126,822	245,325	244,280	74,644	2,806,016
EXPENSES:							
Non Bargaining Unit	0	159,591	0	0	0	0	159,591
Benefits	0	14,545	0	0	0	0	14,545
Public Relations/Recognitions	0	452	160	0	0	0	612
Office/Operational Supplies	0	2,698	14,810	0	0	0	17,508
In Kind Supply Expense	0	0	800	0	0	0	800
Non Instr Printing	0	2,593	4,400	0	0	0	6,993
Food - Business Meetings/Events	0	2,934	27,252	0	0	0	30,186
Service Contracts (Businesses)	0	2,099	0	0	0	0	2,099
Travel - All Travel Costs	0	3,241	2,609	0	0	0	5,850
On-Site-Prof. Develop/Webinars	0	177	0	0	0	0	177
Foundation Community Activities	0	5,252	14,447	0	0	0	19,698
Dues & Memberships	0	1,464	1,847	0	0	0	3,311
Non-Tech Licenses, Permits, Fees	0	40	2,692	0	0	0	2,732
Software/Technology Licenses	0	0	10,370	0	0	0	10,370
Facility Rental	0	0	320	0	0	0	320
Equipment Rental	0	0	634	0	0	0	634
District/College Support	0	0	21,189	0	0	0	21,189
Postage/Express Services	0	1,490	434	0	0	0	1,924
Mailing Service	0	0	2,455	0	0	0	2,455
Advertising	0	2,968	2,200	0	0	0	5,168
Bank Service Charges	0	1,367	2,295	0	0	0	3,662
Investment Brokerage Fees	0	2,219	0	0	0	147,044	149,263
PCPA Support	0	0	0	55,986	0	0	55,986
PCPA Foundation Support	0	0	0	0	101,265	33,733	134,997
Equipment	0	1,132	0	0	0	0	1,132
Student Assistance	0	0	13,906	0	0	0	13,906
Scholarships	0	0	4,062	495,584	0	0	499,646
Total Expenses	0	204,263	126,878	551,570	101,265	180,777	1,164,753
Net Income (Loss)	0	(89,317)	1,999,943	(306,245)	143,015	(106,133)	1,641,263
OTHER FINANCING SOURCES/OUTGO:							
Intrafund Transfer-In	0	221,362	645,645	4,584	2,179,862	238,465	3,289,918
Intrafund Transfers-Out	0	25,500	1,607,989	100	1,312,002	344,328	3,289,918
Net Transfers	0	195,862	(962,344)	4,484	867,860	(105,863)	0
Net Inc/Dec in Fund Bal	0	106,545	1,037,599	(301,761)	1,010,876	(211,995)	1,641,263
FUND BALANCE:							
Fund Equity, July 1	0	155,095	1,794,246	699,654	20,574,231	4,080,531	27,303,757
Current Balance	0	261,640	2,831,846	397,892	21,585,106	3,868,536	28,945,020

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 02/29/2020**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
ASSETS:							
Claim on Cash	(9,137,229)	255,793	2,028,035	424,092	2,560,773	3,868,536	0
AHC Fdtn Mechanics Bank Checking	271,464	0	0	0	0	0	271,464
AHC Fdtn MS Active Assets MM	698,262	0	0	0	0	0	698,262
Cash on Hand	100	0	0	0	0	0	100
MS Select UMA Boyd 3740 Inv Cash	0	0	0	0	120,663	0	120,663
MS Select UMA Unrestr 2948 Inv Cash	19,441	0	0	0	0	0	19,441
Monarch With Strategies Pooled Cash	16,197	0	0	0	0	0	16,197
Monarch With Strategies Lahr Cash	0	0	0	0	630	0	630
Northern Trust Boyd Cash	0	0	0	0	111,154	0	111,154
Northern Trust Young Cash	0	0	0	0	45,833	0	45,833
Mechanics Bank With Mgmt Boyd Cash	0	0	0	0	315,220	0	315,220
MS Select UMA Pooled 1441 Inv Cash	78,866	0	0	0	0	0	78,866
Pledge Receivable - Current	0	0	232,367	0	0	0	232,367
Pledge Receivable - Non Current	0	0	593,725	0	0	0	593,725
Discount on Pledge Receivable	0	0	(24,061)	0	0	0	(24,061)
Accrued Interest Receivable	0	0	0	0	163	0	163
Due From Other Funds	0	5,894	0	0	0	0	5,894
Inventory	0	0	1,780	0	0	0	1,780
MS Select UMA Boyd 3740 Inv Cost	0	0	0	0	2,139,198	0	2,139,198
MS Select UMA Unrestr 2948 Inv Cost	465,095	0	0	0	0	0	465,095
Monarch With Strategies Pooled Cost	1,515,748	0	0	0	0	0	1,515,748
Monarch With Strategies Lahr Cost	0	0	0	0	62,744	0	62,744
Northern Trust Boyd Cost	0	0	0	0	7,053,132	0	7,053,132
Northern Trust Young Cost	0	0	0	0	1,198,699	0	1,198,699
Mechanics Bank With Mgmt Boyd Cost	0	0	0	0	4,381,013	0	4,381,013
MS Select UMA Pooled 1441 Inv Cost	5,123,842	0	0	0	0	0	5,123,842
Interest in CA Comm Colleges Cost	0	0	0	0	121,564	0	121,564
SB Fdtn Hancock Promise Cost	0	0	0	0	2,457,633	0	2,457,633
MS Select UMA Boyd 3740 Inv FMV Adj	0	0	0	0	113,037	0	113,037
MS Select UMA Unrestr 2948 FMV Adj	61,895	0	0	0	0	0	61,895
Monarch With Strtgs Pooled FMV Adj	100,074	0	0	0	0	0	100,074
Monarch With Strtgs Lahr FMV Adj	0	0	0	0	1,282	0	1,282
Northern Trust Boyd FMV Adj	0	0	0	0	390,167	0	390,167
Northern Trust Young FMV Adj	0	0	0	0	109,279	0	109,279
Mechanics Bk With Mgmt Boyd FMV Adj	0	0	0	0	362,178	0	362,178
MS Select UMA Pooled 1441 FMV Adj	786,244	0	0	0	0	0	786,244
SB Fdtn Hancock Promise FMV Adj	0	0	0	0	40,747	0	40,747
Total Assets	0	261,687	2,831,846	424,092	21,585,106	3,868,536	28,971,267
LIABILITIES:							
Sales Tax Payable	0	47	0	0	0	0	47
Due To/From Interchart Scholarshi	0	0	0	26,200	0	0	26,200
Total Liabilities	0	47	0	26,200	0	0	26,247
FUND BALANCE:							
Fund Equity FYB	0	155,095	1,794,246	699,654	20,574,231	4,080,531	27,303,757
Current Income/Loss	0	106,545	1,037,599	(301,761)	1,010,876	(211,995)	1,641,263
Total Fund Balance	0	261,640	2,831,845	397,893	21,585,107	3,868,536	28,945,020
Total Liabilities & Fund Balance	0	261,687	2,831,845	424,093	21,585,107	3,868,536	28,971,267

**Allan Hancock College Foundation
Fdn General Operations**

Fiscal period start date 07/01/2019
 Fiscal period end date 06/30/2020
 As of Date 02/29/2020

Chart of Accounts 3
 Fund 831001 and 831002
 Organization AFN
 Account All
 Program 709001
 Include Revenue Yes
 Commitment Type All

Account Title	Account Type	Approved Budget	Year to Date	Available Balance
Non Bargaining Unit	Labor	\$ 249,993	\$ 159,591	\$ 181,811
Classified Non Instr FICA-Soc Scrt	Labor	\$ 15,500	\$ 9,895	\$ 11,273
Classified Non-Instr FICA-Medicare	Labor	\$ 3,379	\$ 2,314	\$ 2,390
Classified Non Instr Health & Wlfr	Labor	\$ 1,200	\$ 184	\$ 1,200
Classified Non-Instr SUI	Labor	\$ 922	\$ 896	\$ 504
Classified ETT-Foundation	Labor	\$ 35	\$ 35	\$ 21
Classified Non Instr Workers Comp	Labor	\$ 1,868	\$ 1,221	\$ 1,346
Public Relations/Recognitions	Direct Expenditures	\$ 500	\$ 452	\$ 173
Office/Operational Supplies	Direct Expenditures	\$ 6,000	\$ 2,698	\$ 1,257
Non Instr Printing	Direct Expenditures	\$ 6,500	\$ 2,593	\$ 4,311
Food - Business Meetings/Events	Direct Expenditures	\$ 6,000	\$ 2,934	\$ 5,021
Indep Contractor (Individuals)	Direct Expenditures	\$ 2,500	\$ -	\$ 2,500
Service Contracts (Businesses)	Direct Expenditures	\$ 2,500	\$ 2,099	\$ 2,638
Travel - All Travel Costs	Direct Expenditures	\$ 6,000	\$ 3,241	\$ 3,260
On-Site-Prof. Develop/Webinars	Direct Expenditures	\$ 500	\$ 177	\$ 500
Foundation Community Activities	Direct Expenditures	\$ 15,000	\$ 5,252	\$ 12,401
Dues & Memberships	Direct Expenditures	\$ 1,850	\$ 1,464	\$ 751
Non-Tech Licenses,Permits,Fees	Direct Expenditures	\$ 550	\$ 40	\$ 530
Non-Tech Maintenance Agreement	Direct Expenditures	\$ -	\$ -	\$ -
Software Maintenance Agreement	Direct Expenditures	\$ 10,000	\$ -	\$ 10,000
Equipment Rental	Direct Expenditures	\$ 400	\$ -	\$ 850
Fngrprnt/Bckgrnd/Psy Tst/Poly	Direct Expenditures	\$ 100	\$ -	\$ 100
Postage/Express Services	Direct Expenditures	\$ 2,500	\$ 1,490	\$ 1,699
Advertising	Direct Expenditures	\$ 3,430	\$ 2,968	\$ 3,347
Bank Service Charges	Direct Expenditures	\$ 1,500	\$ 1,367	\$ 581
Investment Brokerage Fees	Direct Expenditures	\$ 12,743	\$ 2,219	\$ 13,000
Equipment	Direct Expenditures	\$ 1,450	\$ 1,132	\$ 1,450
Intrafund Transfers-Out	Direct Expenditures	\$ 33,500	\$ 25,500	\$ 23,500
Contributions,Gifts,Grants&Endwmnts	Revenue	\$ 39,750	\$ 57,478	\$ 7,203
District/Grant Contribution	Revenue	\$ 188,611	\$ 46,998	\$ 48,057
Interest and Investment Income	Revenue	\$ 25,000	\$ 18,320	\$ 24,027
Other Local Revenues	Revenue	\$ 425	\$ 705	\$ 425
Intrafund Transfer-In	Revenue	\$ 133,059	\$ 221,362	\$ 237,022
Realized/Unrealized Gain on Investment		\$ -	\$ (8,556)	\$ 9,428
Revenue Total		\$ 386,420	\$ 336,308	\$ 293,965
Expenditure Total		\$ 386,420	\$ 229,763	\$ 286,415
Report Total (of all records) Expenditure Total		\$ -	\$ 106,545	\$ 7,550

Budget - Intrafund Transfers-In	Approved Budget	Actuals
Administration Fee @ 1.5%	\$ 81,634	\$ 72,716
President's Circle Fee @ 15%	\$ 15,000	\$ 3,387
Young Unrestricted Endowment	\$ -	\$ -
Unrestricted Endowment Proceeds	\$ 8,000	\$ -
Hancock Promise Gift Fee @ 1.5%	\$ 7,500	\$ 23,522
Hansen Unrestricted Endowment	\$ 20,925	\$ -
Title III Endowment Tranfers	\$ -	\$ 121,736
Total	\$ 133,059	\$ 221,362

AHC Foundation Financial Overview - General Operations

Statement of Activity	Actual as of 2/29/2020	% of Budget	Revised Budget 2019-20	Original Budget 2019-20
Support and revenue				
Unrestricted contributions	57,478	145%	39,750	39,750
District/Grant Contribution	46,998	25%	188,611	65,611
Transfers in:			-	-
Admin fee @ 1.5%	72,716	89%	81,634	81,634
President's Circle Fee @1%	3,387	23%	15,000	15,000
Title III transfers	121,736	1522%	8,000	3,000
Promise fee 1.5%	23,522	314%	7,500	7,500
Hansen Proceeds		0%	20,925	98,500
Young Proceeds		0%	-	50,000
Net transfers in	221,361	87%	133,059	255,634
Other	705	166%	425	425
Total support and revenue	326,542	90%	361,845	361,420
Expenditures - See below	(229,762)	59%	(386,420)	(386,420)
Other Income:				
Net realized gain	(964)		-	-
Net unrealized gain (loss)	(7,592)			
Interest and dividends	18,321	73%	25,000	25,000
Total other income	9,765	39%	25,000	25,000
Change in net assets	106,545		-	-
Net assets, beginning	155,095		-	155,095
Net assets, end	261,640		-	155,095

Statement of Financial Position	Actual as of 2/29/2020
Assets	
Current Assets	
Cash	255,793
Due from other funds	5,894
Total current assets	261,687
Total assets	261,687
Liabilities and Net assets	
Current liabilities	47
Net Assets	261,640
Total liabilities and net assets	261,687

	Actual as of 2/29/2020	% of Budget	Revised Budget 2019-20	Original Budget 2019-20
Expenditures				
Advertising and postage	4,910	74%	6,600	6,600
Bank and brokerage charges	3,586	25%	14,500	14,500
Building and equipment	1,132	113%	1,000	1,000
Campaign expenses (Hancock Promise)	7,500			
Community activities	5,252	35%	15,000	15,000
Contracted personal services	2,099	35%	6,000	6,000
Contracts and leases		0%	550	550
Employee benefits	14,545	71%	20,428	20,428
Food	2,934	49%	6,000	6,000
Memberships and permits	1,504	60%	2,500	2,500
Miscellaneous expense	499	37%	1,349	1,349
Salaries	159,591	64%	249,993	249,993
Scholarship banquet support	17,500	88%	20,000	20,000
Software maintenance agreement		0%	10,000	10,000
Supplies and materials	5,291	42%	12,500	12,500
Telephone			-	-
Title III funding		0%	13,500	13,500
Travel and conference	3,419	53%	6,500	6,500
Total expenditures	229,762	59%	386,420	386,420

AHC Foundation Financial Overview - All

Statement of Activity	Actual as of 2/29/2020
Support and revenue	
Unrestricted contributions	2,671,426
District support	46,998
Other	2,497
Total support and revenue	2,720,921
Expenditures - See below	(1,164,753)
Other Income:	
Net realized gain	453,507
Net unrealized gain (loss)	(810,716)
Interest and dividends	442,304
Total other income	85,095
Change in net assets	1,641,263
Net assets, beginning	27,303,757
Net assets, end	28,945,020

Statement of Financial Position	Actual as of 2/29/2020
Assets	
Current Assets	
Cash	1,677,828
Accounts receivable	-
Pledges receivable - current	208,306
Other assets	7,837
Total current assets	1,893,971
Pledges receivable - non current	593,725
Investments (cost)	24,518,668
Investments (FMV adjustment)	1,964,903
Total assets	28,971,267
Liabilities and Net assets	
Current liabilities	26,247
Net Assets	28,945,020
Total liabilities and net assets	28,971,267

	Actual as of 2/29/2020
Expenditures	
Advertising and postage	10,159
Bank and brokerage charges	152,925
Community activities	19,698
Contracts and leases	2,099
District College Support	21,189
Employee benefits	14,545
Food	30,186
Memberships and permits	6,043
Miscellaneous	2,262
PCPA support	190,983
Salaries	159,591
Scholarships	499,646
Software maintenance	10,370
Student Assistance	13,906
Supplies and materials	25,301
Travel and conference	5,850
Total expenditures	1,164,753

AHC Foundation Financial Overview - Investments

	6/30/2019	2/29/2020	3/31/2020
Morgan Stanley - UMA Active Assets	\$ 6,216,427	\$ 5,910,086	
Morgan Stanley - UMA Unrestricted		\$ 526,990	
Morgan Stanley - Boyd Music Program	\$ 2,305,446	\$ 2,252,235	
Monarch Wealth Strategies - LPL	\$ 1,643,232	\$ 1,615,822	
Monarch Wealth Strategies - LPL - Lahr	\$ 63,490	\$ 64,026	
Osher-Bartleson	\$ 121,564	\$ 121,564	
Northern Trust - Young	\$ 1,453,787	\$ 1,307,978	
Northern Trust - Boyd	\$ 7,508,920	\$ 7,443,299	
Santa Barbara Foundation - Hancock Promise	\$ 425,622	\$ 2,498,380	
Rabobank Wealth Mgmt. - Boyd	\$ 4,777,850	\$ 4,743,191	
Total	\$ 24,516,338	\$ 26,483,571	\$ -

To: Executive and Finance Committees	ACTION
From: Jon Hooten, Executive Director College Advancement	April 8, 2020
Subject: Approval of 2020-2021 Operations Budget	

BACKGROUND

Each year the Finance Committee develops and approves the Foundation's operating budget for the upcoming fiscal period. Staff developed the 2020-2021 proposed budget on the next page, which includes the current approved 2019-2020 budget.

The committees will discuss the proposed budget and revise as needed. The proposed 2020-2021 operating budget is being presented for approval.

EXPENSE and REVENUE BUDGET INCREASE/DECREASE:

Staff salaries/Employee Benefits & Payroll Taxes: The budgeted amount of \$283,144 provides a 2% COLA for staff and a step increase for three positions.

Brokerage Fees: The \$13,000 budget was decreased to \$6,000 since being released from the Title III grant. The Morgan Stanley Select UMA (Unrestricted) brokerage fees are accessed to the Foundation operating budget.

Intrafund Transfers-Out: The budget was decreased from \$31,500 to \$23,500 since being released from the Title III grant. The proposed 2020-21 amount of \$23,500 is for the annual scholarship banquet.

District/Grant Contribution: The district has permanently institutionalized the Foundation's Advancement Specialist position. The proposed budget amount for the position is \$70,690. In addition, the district has agreed to provide \$123,000 in direct operational support for three years beginning during fiscal year 2019-2020.

RECOMMENDATION

Staff recommends approving the 2020-2021 Operating Budget as submitted.

**Allan Hancock College Foundation
Fdn General Operations
Proposed 2020-2021 Budget**

Fiscal period start date 07/01/2019
Fiscal period end date 06/30/2020
As of Date 02/29/2020

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

Account Title	Account Type	Approved Budget	Year to Date	2020-2021 Proposed
Non Bargaining Unit	Labor	\$ 249,993	\$ 159,591	\$ 259,362
Classified Non Instr FICA-Soc Scrt	Labor	\$ 15,500	\$ 9,895	\$ 16,080
Classified Non-Instr FICA-Medicare	Labor	\$ 3,379	\$ 2,314	\$ 3,761
Classified Non Instr Health & Wlfr	Labor	\$ 1,200	\$ 184	\$ 1,200
Classified Non-Instr SUI	Labor	\$ 672	\$ 896	\$ 728
Classified ETT-Foundation	Labor	\$ 28	\$ 35	\$ 28
Classified Non Instr Workers Comp	Labor	\$ 1,868	\$ 1,221	\$ 1,985
Public Relations/Recognitions	Direct Expenditures	\$ 500	\$ 452	\$ 500
Office/Operational Supplies	Direct Expenditures	\$ 6,000	\$ 2,698	\$ 6,000
Non Instr Printing	Direct Expenditures	\$ 6,500	\$ 2,593	\$ 6,500
Food - Business Meetings/Events	Direct Expenditures	\$ 6,000	\$ 2,934	\$ 6,000
Indep Contractor (Individuals)	Direct Expenditures	\$ 2,500	\$ -	\$ 2,500
Service Contracts (Businesses)	Direct Expenditures	\$ 3,500	\$ 2,099	\$ 3,500
Travel - All Travel Costs	Direct Expenditures	\$ 6,000	\$ 3,241	\$ 6,000
On-Site-Prof. Develop/Webinars	Direct Expenditures	\$ 500	\$ 177	\$ 500
Foundation Community Activities	Direct Expenditures	\$ 15,000	\$ 5,252	\$ 15,000
Dues & Memberships	Direct Expenditures	\$ 850	\$ 1,464	\$ 2,000
Non-Tech Licenses,Permits,Fees	Direct Expenditures	\$ 550	\$ 40	\$ 550
Non-Tech Maintenance Agreement	Direct Expenditures	\$ -	\$ -	\$ -
Software Maintenance Agreement	Direct Expenditures	\$ 10,000	\$ -	\$ 10,000
Equipment Rental	Direct Expenditures	\$ 850	\$ -	\$ 850
Fngprnt/Bckgrnd/Psy Tst/Poly	Direct Expenditures	\$ 100	\$ -	\$ -
Postage/Express Services	Direct Expenditures	\$ 2,500	\$ 1,491	\$ 2,500
Advertising	Direct Expenditures	\$ 3,430	\$ 2,968	\$ 3,500
Bank Service Charges	Direct Expenditures	\$ 1,500	\$ 1,367	\$ 1,500
Investment Brokerage Fees	Direct Expenditures	\$ 13,000	\$ 2,219	\$ 6,000
Equipment	Direct Expenditures	\$ 1,450	\$ 1,132	\$ 1,500
Intrafund Transfers-Out	Direct Expenditures	\$ 31,500	\$ 25,500	\$ 23,500
Contributions,Gifts,Grants&Endwmnts	Revenue	\$ 39,750	\$ 57,478	\$ 40,000
District/Grant Contribution	Revenue	\$ 65,611	\$ 46,998	\$ 193,690
Interest and Investment Income	Revenue	\$ 25,000	\$ 18,321	\$ 26,250
Other Local Revenues	Revenue	\$ 425	\$ 705	\$ 425
Intrafund Transfer-In	Revenue	\$ 255,634	\$ 221,362	\$ 121,179
Realized/Unrealized Gain on Investment		\$ -	\$ (8,556)	\$ -
		\$ 386,420	\$ 336,308	\$ 316,735
Revenue Total		\$ 386,420	\$ 336,308	\$ 381,544
Expenditure Total		\$ 384,870	\$ 229,763	\$ 381,544
Report Total (of all records) Expenditure Total		\$ 1,550	\$ 106,545	\$ 0

Intrafund Transfers-In	FY 2019-20 Budget	FY 2019-20 Actuals	FY 2020-21 Proposed Transfer In
Administration Fee @ 1.5%	\$ 81,634	\$ 72,716	\$ 82,500
President's Circle Fee @ 15%	\$ 15,000	\$ 3,388	\$ 15,000
Young Unrestricted Endowment	\$ 50,000	\$ -	\$ -
Unrestricted Endowment Proceeds	\$ 3,000	\$ -	\$ 5,000
Hancock Promise Gift Fee @ 1.5%	\$ 7,500	\$ 23,522	\$ 7,500
Hansen Unrestricted Endowment	\$ 98,500	\$ -	\$ 11,179
Unrestricted Title III	\$ -	\$ 121,736	\$ -
	\$ 255,634	\$ 221,362	\$ 121,179

To: Executive and Finance Committees	ACTION
From: Jon Hooten, Executive Director College Advancement	April 8, 2020
Subject: Approval of Proposed 2020-2021 Foundation Budget for District	

BACKGROUND

Each year the Foundation submits a proposed foundation budget that encompasses all of the foundation funds – including operations, restricted, scholarship and endowments – to the district for board approval. The committees will review and approve the attached proposed foundation budget for 2020-2021, included on the next page in this packet.

The committees will discuss the proposed budget and revise as needed.

RECOMMENDATION

Staff recommends approval to accept the 2020-2021 foundation budget for the district.

Allan Hancock College Foundation
All Foundation Funds
Proposed Budget for District
July 1, 2020 - June 30, 2021

Account Title	FY20			Proposed Budget		Proposed Budget		Total Budget
	Approved FY20 Gen Opr	Approved Rest. Sch. & End.	Approved FY20 Total Budget	FY21 Gen Opr	FY21 Rest.,Sch. & End.			
EXPENDITURES								
Non Bargaining Unit	\$ 249,993	\$ -	\$ 249,993	\$ 259,362	\$ -	\$ 259,362		\$ 259,362
Classified Non Instr FICA-SocScty	\$ 15,500	\$ -	\$ 15,500	\$ 16,080	\$ -	\$ 16,080		\$ 16,080
Classified Non-Instr FICA-Medi	\$ 3,379	\$ -	\$ 3,379	\$ 3,761	\$ -	\$ 3,761		\$ 3,761
Classified Non Instr Health & Wlfr	\$ 1,200	\$ -	\$ 1,200	\$ 1,200	\$ -	\$ 1,200		\$ 1,200
Classified Non-Instr SUI	\$ 672	\$ -	\$ 672	\$ 728	\$ -	\$ 728		\$ 728
Classified ETT-Foundation	\$ 28	\$ -	\$ 28	\$ 28	\$ -	\$ 28		\$ 28
Classified Non Instr Workers Comp	\$ 1,868	\$ -	\$ 1,868	\$ 1,985	\$ -	\$ 1,985		\$ 1,985
Public Relations/Recognitions	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ 500		\$ 500
Office/Operational Supplies	\$ 6,000	\$ 9,450	\$ 15,450	\$ 6,000	\$ 15,000	\$ 21,000		\$ 21,000
Non Instr Printing	\$ 6,500	\$ 10,000	\$ 16,500	\$ 6,500	\$ 9,500	\$ 16,000		\$ 16,000
Contest Prizes	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 1,000		\$ 1,000
Food - Business Meetings/Events	\$ 6,000	\$ 15,000	\$ 21,000	\$ 6,000	\$ 25,000	\$ 31,000		\$ 31,000
Indep Contractor (Individuals)	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500	\$ 5,000		\$ 5,000
Service Contracts (Businesses)	\$ 3,500	\$ 5,000	\$ 8,500	\$ 3,500	\$ 5,000	\$ 8,500		\$ 8,500
Travel - All Travel Costs	\$ 6,000	\$ 4,000	\$ 10,000	\$ 6,000	\$ 4,000	\$ 10,000		\$ 10,000
On-Site-Prof. Develop/Webinars	\$ 500	\$ 500	\$ 1,000	\$ 500	\$ 500	\$ 1,000		\$ 1,000
Foundation Community Activities	\$ 15,000	\$ 25,000	\$ 40,000	\$ 15,000	\$ 25,000	\$ 40,000		\$ 40,000
Dues & Memberships	\$ 2,500	\$ 1,350	\$ 3,850	\$ 2,000	\$ 1,350	\$ 3,350		\$ 3,350
Non-Tech Licenses,Permits,Fees	\$ 550	\$ 1,450	\$ 2,000	\$ 550	\$ 2,500	\$ 3,050		\$ 3,050
Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Facility Rental	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,500	\$ 1,500		\$ 1,500
Software Mtce Agreement	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000		\$ 10,000
Equipment Rental	\$ 750	\$ 850	\$ 1,600	\$ 850	\$ 1,500	\$ 2,350		\$ 2,350
Fingerprint/Background	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ -		\$ -
District/College Support	\$ -	\$ 675,000	\$ 675,000	\$ -	\$ 650,000	\$ 650,000		\$ 650,000
Postage/Express Services	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 1,500	\$ 4,000		\$ 4,000
Advertising	\$ 3,430	\$ 6,000	\$ 9,430	\$ 3,500	\$ 1,000	\$ 4,500		\$ 4,500
Bank Service Charges	\$ 1,500	\$ 500	\$ 2,000	\$ 1,500	\$ 2,500	\$ 4,000		\$ 4,000
Investment Brokerage Fees	\$ 13,000	\$ 165,000	\$ 178,000	\$ 6,000	\$ 165,000	\$ 171,000		\$ 171,000
PCPA/PCPA Fdtn. Support	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ 50,000	\$ 50,000		\$ 50,000
Viticulture&Enology Fdtn Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Equipment	\$ 1,450	\$ 5,000	\$ 6,450	\$ 1,500	\$ 5,000	\$ 6,500		\$ 6,500
Student Assistance	\$ -	\$ 12,500	\$ 12,500	\$ -	\$ 12,500	\$ 12,500		\$ 12,500
Scholarship	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ 625,000	\$ 625,000		\$ 625,000
Intrafund Transfers-Out	\$ 31,500	\$ 722,134	\$ 753,634	\$ 23,500	\$ 740,981	\$ 764,481		\$ 764,481
REVENUES								
Contributions,Gifts,Grants & End.	\$ 39,750	\$ 1,310,250	\$ 1,350,000	\$ 40,000	\$ 1,440,981	\$ 1,480,981		\$ 1,480,981
District/Grant Contribution	\$ 65,611	\$ -	\$ 65,611	\$ 193,690	\$ -	\$ 193,690		\$ 193,690
Interest and Investment Income	\$ 25,000	\$ 675,000	\$ 700,000	\$ 26,250	\$ 250,850	\$ 277,100		\$ 277,100
Realized Gain/Loss on Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Unrealized Gain/Loss on Invest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Other Local Revenues	\$ 425	\$ 5,500	\$ 5,925	\$ 425	\$ 6,000	\$ 6,425		\$ 6,425
Intrafund Transfer-In	\$ 255,634	\$ 500,000	\$ 755,634	\$ 121,179	\$ 650,000	\$ 771,179		\$ 771,179
Revenue Total	\$ 386,420	\$ 2,490,750	\$ 2,877,170	\$ 381,544	\$ 2,347,831	\$ 2,729,375		\$ 2,729,375
Expenditure Total	\$ 386,420	\$ 2,490,734	\$ 2,877,154	\$ 381,544	\$ 2,347,831	\$ 2,729,375		\$ 2,729,375
Report Total	\$ -	\$ 16	\$ 16	\$ -	\$ -	\$ -		\$ -

To: Executive and Finance Committees	ACTION
From: Jon Hooten, Executive Director College Advancement	April 8, 2020
Subject: Endowment Scholarship & Program Funding 2019-2020	

BACKGROUND

In January 2020, the Finance and Executive Committees and the full board approved a motion for 2019-20 endowment scholarship and program funding at 4%. The approved funding total is approximately \$255,000. The COVID-19 pandemic has caused huge stock market losses.

The committees will discuss and review the Endowment Funding Approved document that is included as a handout with this packet. A recommendation by the committees will be made if there are changes to the approved funding.

RECOMMENDATION

Staff recommends approval of changes to the 2019-2020 endowment scholarship and program funding.

To: Executive and Finance Committees	ACTION
From: Jon Hooten, Executive Director College Advancement	April 8, 2020
Subject: Independent Auditor's Report for period ending June 30, 2019	

BACKGROUND

The practice of the Foundation is an annual independent audit performed as a part of the college's annual audit in accordance with the standards and procedures developed by the California Community College Board of Governors and the State of California Department of Finance. The audit for the year ending June 30, 2019, was performed by representatives from the EideBaily, CPAs & Business Advisors. A copy of the communication letter, management letter and audit are included for the committee's review.

RECOMMENDATION

Staff recommends approval to accept the independent auditor's report for the Allan Hancock College Foundation for the period ending June 30, 2019.



March 11, 2020

To the Board of Directors
Allan Hancock College Foundation
Santa Maria, California

We have audited the financial statements of Allan Hancock College Foundation (the Foundation) as of and for the year ended June 30, 2019, and have issued our report thereon dated March 11, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated July 17, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

We have implemented a second partner review of the financial statements to reduce the risk of management participation and self-review threats to an acceptable level. In addition, management will review and assume responsibility for the financial statements as evidenced in the signed management representation letter dated March 11, 2020.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. As described in Note 1, the Foundation changed accounting policies related to presentation and disclosure requirements to provide more relevant information about their resources (and the changes in those resources), by adopting FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*, in 2019. The accounting change has been retroactively applied to the financial statements presented. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Foundation's financial statements relate to: fair value of assets, promises to give, and composition of endowments.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatements were post-closing adjustments proposed and corrected by management:

Understatement of Beneficial Interest in California Community Colleges	\$30,360
Overstatement of Contributions	6,967
Understatement of Adjustment to FMV for Beneficial Interest	37,327

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated March 11, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

Modification of the Auditor's Report

We have made the following modification to our auditor's report.

As discussed in Note 1 to the financial statements, the Foundation has adopted the provisions of Financial Accounting Standards Board Accounting Standards Updates No. 2016-14, Presentation of Financial Statements for Not-for-Profit Entities. Accordingly, the beginning of year net assets have been adjusted to adopt this standard. Our opinion is not modified with respect to this matter.

This report is intended solely for the information and use of the Board of Directors and management of Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,



Rancho Cucamonga, California



March 11, 2020

To the Board of Directors and Management of
Allan Hancock College Foundation
Santa Maria, California

In planning and performing our audit of the financial statements of Allan Hancock College Foundation (the Foundation) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Foundation's internal control to be significant deficiencies:

Donations

Observation

A check was received by the Foundation and erroneously acknowledged as a contribution to the Foundation when the check was intended for the community college district. The contribution was recognized as revenue and when paid out to the district, recognized as expense.

Recommendation

All checks and donations received should be thoroughly reviewed prior to depositing the funds. Only donations specifically for the Foundation's purpose should be recorded and acknowledged.

If process is unchanged in the future, it is possible that contribution revenue may be overstated and the Foundation's financial statements would not be properly presented.

This information is intended solely for the information and use of management, the Board of Directors, and others within the Foundation, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Eide Bailly LLP

Rancho Cucamonga, California



Financial Statements
June 30, 2019

Allan Hancock College Foundation
(A California Nonprofit Corporation)

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Allan Hancock College Foundation
Santa Maria, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Allan Hancock College Foundation (the Foundation) (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Allan Hancock College Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Foundation has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Accordingly, the beginning of year net assets have been adjusted to adopt this standard. Our opinion is not modified with respect to this matter.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
March 11, 2020

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,768,852
Accounts receivable	19,635
Accounts receivable - related party	13,123
Unconditional promises to give	230,533
Inventory	2,580
Total Current Assets	2,034,723

Noncurrent Assets

Investments	25,319,487
Beneficial interest in assets held by the Foundation for California Community Colleges	151,924
Unconditional promises to give - net of amortized discount	405,486
Total Noncurrent Assets	25,876,897
TOTAL ASSETS	\$ 27,911,620

LIABILITIES

Current Liabilities

Accounts payable	\$ 5,322
Accounts payable - related party	572,181
Total Current Liabilities	577,503

NET ASSETS

Without donor restrictions	
Undesignated	155,095
Board designated	940,869
Total without donor restrictions	1,095,964
With donor restrictions	26,238,153
TOTAL NET ASSETS	27,334,117
TOTAL LIABILITIES AND NET ASSETS	\$ 27,911,620

See the accompanying notes to financial statements.

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	\$ 64,624	\$ 1,381,943	\$ 1,446,567
In-kind contributions	-	2,580	2,580
Other income	72,388	16,545	88,933
Net assets released from restrictions	1,160,179	(1,160,179)	-
Total Support and Revenues	<u>1,297,191</u>	<u>240,889</u>	<u>1,538,080</u>
Expenses			
Program	1,276,119	-	1,276,119
Management and general	239,331	-	239,331
Total Expenses	<u>1,515,450</u>	<u>-</u>	<u>1,515,450</u>
Other Income			
Net realized gain on investments	140,824	444,455	585,279
Net unrealized gain (loss) on investments	(109,730)	65,931	(43,799)
Interest and dividends, net of fees	43,751	561,635	605,386
Subtotal Investment Income	<u>74,845</u>	<u>1,072,021</u>	<u>1,146,866</u>
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	-	37,327	37,327
Total Other Income	<u>74,845</u>	<u>1,109,348</u>	<u>1,184,193</u>
CHANGE IN NET ASSETS	(143,414)	1,350,237	1,206,823
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>1,239,378</u>	<u>24,887,916</u>	<u>26,127,294</u>
NET ASSETS, END OF YEAR	<u>\$ 1,095,964</u>	<u>\$ 26,238,153</u>	<u>\$ 27,334,117</u>

See the accompanying notes to financial statements.

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program	Management and General	Total
Scholarships	\$ 536,923	\$ -	\$ 536,923
Student assistance	6,200	-	6,200
Allan Hancock College support	241,462	-	241,462
PCPA/PCPA Foundation/Viticulture and Enology Foundation support	121,324	-	121,324
Salaries	120,244	134,652	254,896
Employee benefits	10,760	12,666	23,426
Supplies and materials	106,341	14,167	120,508
Contracted personal services	19,181	5,058	24,239
Travel and conference	69,038	65,223	134,261
Memberships and permits	28,432	516	28,948
Telephone	-	490	490
Postage	1,033	1,799	2,832
Advertising	8,265	2,317	10,582
Bank and brokerage charges	521	893	1,414
Miscellaneous expense	195	99	294
Building and equipment	6,200	1,451	7,651
Total Expenses	<u>\$ 1,276,119</u>	<u>\$ 239,331</u>	<u>\$ 1,515,450</u>

See the accompanying notes to financial statements.

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,206,823
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities	
Net unrealized loss on investments	43,799
Net realized gain on investments	(585,279)
Contributions restricted for long-term purposes	(309,839)
Distributions from beneficial interest in assets held by the Foundation for California Community Colleges	6,967
Change in beneficial interest in assets held by the Foundation for California Community Colleges	(37,327)
In kind contribution related to inventory	(2,580)
Changes in operating assets and liabilities	
Unconditional promises to give	215,243
Accounts receivable	(4,004)
Accounts receivable - related party	(3,256)
Accounts payable	(1,963)
Accounts payable - related party	282,850
Net Cash Flows From Operating Activities	<u>811,434</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(10,608,820)
Proceeds from sales of investments	10,408,889
Net Cash Flows From Investing Activities	<u>(199,931)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Collections of contributions restricted for long-term purposes	<u>309,839</u>
CHANGE IN CASH AND CASH EQUIVALENTS	921,342
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	847,510
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,768,852</u></u>

See the accompanying notes to financial statements.

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Allan Hancock College Foundation (the Foundation) (a California nonprofit corporation) was incorporated in the State of California in 1977 as a nonprofit public benefit corporation. The Foundation was organized with the purpose of providing benefits to the educational programs and services of the Allan Hancock Joint Community College District (the District) and Allan Hancock College (the College).

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the College are financially interrelated organizations as defined by Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others. The Foundation reflects contributions received for the benefit of the College as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Net Asset Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation. In addition, the Foundation's Board has also designated various balances of net assets without donor restrictions for certain uses as described in Note 10.

Net Assets With Donor Restrictions - Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Support and Expenses

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions.

Donated Services

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements because the recognition criteria were not met.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Current and Noncurrent Assets and Liabilities

The Foundation considers assets and liabilities that can reasonably be expected, as part of its normal operations, to be converted to cash or liquidated within twelve months of the statement of financial position date to be current. All other assets and liabilities are considered noncurrent.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts with original maturities of less than 90 days. The Foundation maintains cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition, the Foundation also maintains cash balances with Securities Investor Protection Corporation (SIPC) brokerage firms which are insured up to \$250,000. At June 30, 2019, the Foundation had cash balances held in financial institutions in excess of FDIC in the amount of \$277,057.

Accounts Receivable

Accounts receivable consists primarily of interest and vendor receivables. Management has deemed all amounts as collectible; therefore, no allowance for doubtful accounts is considered necessary.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Foundation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined all amounts to be collectible.

Beneficial Interest in Assets held by Community Foundation

During 2008, the Foundation established an endowment fund that is perpetual in nature (the Fund) under a community foundation's (the CF) Osher Endowment Scholarship program and named the Foundation as a beneficiary. Variance power was granted to the CF which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the CF for the Foundation's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Inventory

Inventory is valued at the lower of cost or net realizable value. The cost of the inventory is equal to the fair value of the donated textbooks when the in-kind contribution was received.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income is reported in the statement of activities and consists of interest and dividend income net of investment expenses and realized and unrealized capital gains and losses.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2019 was \$10,582.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Income Taxes

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There was no unrelated business activity income.

The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken, or expected to be taken, on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements.

The Foundation's Federal informational tax returns for the years ended June 30, 2016, 2017, and 2018, are open to audit by the Federal authorities. California State informational returns for the years ended June 30, 2015, 2016, 2017, and 2018, are open to audit by State authorities.

Allocation of Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, and benefits, which are allocated based on the employee's position within the Foundation.

Management Fee

Endowments received by the Foundation are subject to a 1.5 percent annual administrative fee of the value of the endowed asset. The fee will come from the interest earned off the endowment. The Foundation also assesses a 1.5 percent gift fee on Hancock Promise gifts. Revenues received from management fees are used by the Foundation on further advancement efforts on behalf of the Allan Hancock College.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Change in Accounting Principle

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 changes the presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Under this guidance, the Foundation is required to present two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and changes in each of these two classes, on the face of the statement of financial position and statement of activities, respectively, rather than the previously required three classes (unrestricted, temporarily restricted, and permanently restricted).

The Foundation has implemented the provisions of this ASU as of June 30, 2019, because management believes it improves the Foundation's financial reporting.

New Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Although the full impact of ASU 2016-02 on the Foundation's financial statements has not yet been determined, the future adoption of this guidance will require the Foundation to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). ASU 2018-08 clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution, helps an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation, and modifies the simultaneous release option currently in GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is met in the same period that revenue is recognized. Accounting for contributions is an issue primarily for not-for-profit entities because contributions are a significant source of revenue. However, the amendments in the ASU 2018-08 apply to all organizations that receive or make contributions of cash and other assets, including business enterprises. The amendments do not apply to transfers of assets from governments to businesses. For contributions received, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. For contributions made, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Cash and cash equivalents	\$ 1,039,691
Accounts receivable	19,635
Accounts receivable - related party	13,123
Endowment spending-rate distributions and appropriations	140,000
Total Financial Assets Available Within One Year	\$ 1,212,449

A board designated endowment of \$940,869 is subject to an annual spending rate of up to 5.0 percent as described in Note 10. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. District staff on behalf of the Foundation management monitor daily cash balances. The Board of Directors approve an annual budget and review financial statements on a quarterly basis.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019 represent amounts due to the Foundation as follows:

Accrued interest	\$ 16,897
Miscellaneous	2,738
Total	\$ 19,635

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

As of June 30, 2019, the Foundation's unconditional promises to give are estimated to be collected as follows:

Due within one year	\$ 230,533
Due within one to five years	424,567
	655,100
Less discount to net present value at rate 3.00%	(19,081)
Total	\$ 636,019

**ALLAN HANCOCK COLLEGE FOUNDATION
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During the current fiscal year, management monitored and reviewed the uncollectible pledges. The uncollectible pledge write-off was \$0. Management has determined the amount of allowance for uncollectible promises to give at June 30, 2019, to be \$0. The discount rate used was three percent for 2019.

At June 30, 2019, one donor accounted for 91% of total unconditional promises to give.

NOTE 5 - INVESTMENTS

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2019:

	Adjusted Cost	Fair Market Value	Unrealized Loss
Investments	\$ 25,363,286	\$ 25,319,487	\$ (43,799)
Beneficial Interest in assets held by the Foundation for California Community Colleges	151,924	151,924	-
Total	<u>\$ 25,515,210</u>	<u>\$ 25,471,411</u>	<u>\$ (43,799)</u>

Investment activity for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Net realized gain on investments	\$ 140,824	\$ 444,455	\$ 585,279
Net unrealized gain (loss) on investments	(109,730)	65,931	(43,799)
Interest and dividends	68,368	733,440	801,808
Total Investment Income	99,462	1,243,826	1,343,288
Investment expenses	(24,617)	(171,805)	(196,422)
Total Investment Income, Net of Expenses	<u>\$ 74,845</u>	<u>\$ 1,072,021</u>	<u>\$ 1,146,866</u>

NOTE 6 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in U.S. GAAP under FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. U.S. GAAP requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and describes three levels of inputs that may be used to measure fair value.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The following provides a summary of the hierarchical levels used to measure fair value:

Level I - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II - Observable inputs other than Level I prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair value of alternatives, private equity investments and real estate limited partnership investments, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The fair value of the beneficial interest in assets held by the Foundation for California Community Colleges is based on the fair value of fund investments as reported by the Foundation. These are considered to be Level 3 measurements.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of the assets measured at fair value on a recurring basis, except those measured by using NAV per share as a practical expedient, as of June 30, 2019. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2019.

ASSETS	Level I	Level 2	Level 3	Investments Measured at NAV	Total
Common stock	\$ 14,421,961	\$ -	\$ -	\$ -	\$ 14,421,961
Corporate bonds and notes	3,083,623	-	-	-	3,083,623
U.S. Government securities	905,839	-	-	-	905,839
Exchange traded funds	84,321	-	-	-	84,321
Commodities	-	-	-	566,848	566,848
Real estate	-	-	-	244,264	244,264
Mutual funds	6,012,631	-	-	-	6,012,631
Beneficial Interest in assets held by the Foundation for California Community Colleges	-	-	151,924	-	151,924
Total	<u>\$ 24,508,375</u>	<u>\$ -</u>	<u>\$ 151,924</u>	<u>\$ 811,112</u>	<u>\$ 25,471,411</u>

	Beneficial Interest in FCCC
Balance at June 30, 2018	\$ 121,564
Investment return, net	37,327
Distributions	(6,967)
Balance at June 30, 2019	<u>\$ 151,924</u>

The Foundation did not have any assets or liabilities recorded at fair value on a non-recurring basis.

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY THE FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES-OSHER ENDOWMENT SCHOLARSHIP

The Foundation participated in the Foundation for California Community Colleges (FCCC) Osher Scholarship Challenge. This program challenged community colleges and their related foundations to raise additional contributions to be designated as part of a permanent endowment for the FCCC's Osher Scholarship Endowment. Foundations participating in this challenge campaign are guaranteed scholarship monies for qualifying students of the community college district. The Foundation raised \$100,000 toward this challenge campaign. At June 30, 2019, \$151,924 is held as net assets with donor restrictions and is held with the FCCC. A total of \$6,967 was received during the year and made available for scholarships as qualifying students are identified. The Foundation receives no additional interest or dividends on the balance held at FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Scholarship Endowment must be left in the fund permanently and cannot be returned or used for other purposes.

NOTE 8 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, represent amounts owed by the Foundation as follows:

Vendor payables	\$ 5,295
Sales tax payables	27
Total Payables	\$ 5,322

NOTE 9 - RESTRICTIONS ON NET ASSETS

Donor-restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2019:

Various donor restricted funds related to educational programs	\$ 13,733,032
Scholarships	2,280,906
Endowments - accumulated and unspent earnings	3,608,875
	\$ 19,622,813

Donor-restricted net assets with perpetual restrictions consist of the following at June 30, 2019:

Osher endowment	\$ 151,924
Endowments related to scholarships	6,463,416
	\$ 6,615,340

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 - ENDOWMENTS

The Foundation's endowment consists of 114 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds that the Foundation must hold in perpetuity, or for a donor-specified period, as well as funds designated by the Board of Directors to function as endowments (funds designated). As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Funds designated consist of non-endowed, donor-restricted gifts that are unable to be spent in the near term and have been designated by the Board of Directors to be treated as endowments.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

As of June 30, 2019, endowment net assets were composed of the following:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Funds
Donor-restricted endowment funds	\$ -	\$ 21,713,893	\$ 21,713,893
Board-designated endowment funds	940,869	2,000,000	2,940,869
Total	<u>\$ 940,869</u>	<u>\$ 23,713,893</u>	<u>\$ 24,654,762</u>

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Funds
Balance at July 1, 2018	\$ 1,098,578	\$ 22,415,133	\$ 23,513,711
Investment income, net of fees	37,277	1,071,869	1,109,146
Management services fees	(3,314)	(84,580)	(87,894)
Contributions	-	309,839	309,839
Amounts appropriated for expenditures	(191,672)	(70,039)	(261,711)
Other changes	-	71,671	71,671
Endowment net assets, June 30, 2019	<u>\$ 940,869</u>	<u>\$ 23,713,893</u>	<u>\$ 24,654,762</u>

Funds With Deficiencies

From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor of the UPMIFA required the Foundation to retain as a fund of perpetual duration ("below water endowments"). In accordance with accounting principles generally accepted in the United States of America, there were no deficiencies of this nature reported as of June 30, 2019.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include donor-specified as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of indices of similar style funds (e.g. Standard and Poor's 500, Russell 3000, etc.) and/or comparable benchmarks.

Strategies Employed for Achieving Objectives

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

**ALLAN HANCOCK COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has an endowment funding policy that establishes the procedure to set the annual distribution amount for each endowment fund. The policy takes into consideration the Foundation's long-term investment objectives and specifies that if the endowment value is between 100 percent and 129 percent of its corpus value, up to 5 percent of the value may be spent. If the endowment value is less than its corpus value, no distribution may be made for that year. If the endowment value is above 129 percent of its corpus value, the Board may take action to approve a distribution in excess of 5 percent, but not to cause the endowment value to fall below 124 percent of the corpus value. In addition, this policy provides that a donor or the Foundation Board may designate an endowment as a quasi-endowment so that all of the income and corpus can be spent to fulfill the purpose of the endowment.

NOTE 11 - RELATED PARTY TRANSACTIONS

Allan Hancock Joint Community College District

Allan Hancock Joint Community College District (the District) charges administrative services to the Foundation. Grant distributions and the Hancock Promise are paid by the District and reimbursed by the Foundation. Accordingly, at June 30, 2019, the Foundation owed the District \$572,181 for all services. The Foundation bills the District for salaries and benefits for foundation staff that also work on behalf of the District. Accordingly, at June 30, 2019, the District owed the Foundation \$13,123 for all services.

NOTE 12 - ADJUSTMENT RESULTING FROM CHANGE IN ACCOUNTING PRINCIPLE

As disclosed in Note 1, the Foundation adopted the provisions of ASU 2016-14, Presentation of Financial Statements for Not-for-Profit Entities as of June 30, 2019. As a part of the adoption, changes were made to the presentation of the financial statements and the classification of net assets. Following is a summary of the effects of the change in accounting policy in the Foundation's June 30, 2018, net assets.

The effect on the Foundation's statement of activities as of June 30, 2018, is as follows:

	As Previously Reported	Adoption of ASU 2016-14	As Adjusted
Net Assets, End of the Year			
Unrestricted	\$ 1,239,378	\$ (1,239,378)	\$ -
Temporarily restricted net assets	18,574,033	(18,574,033)	-
Permanently restricted net assets	6,313,883	(6,313,883)	-
Net assets without donor restrictions	-	1,239,378	1,239,378
Net assets with donor restrictions	-	24,887,916	24,887,916

**ALLAN HANCOCK COLLEGE FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13 - SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions from June 30, 2019 through March 11, 2020, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Foundation's financial statements.

To: Executive Committee	EC ACTION
From: Jon Hooten, Executive Director College Advancement	April 8, 2020
Subject: Approval of Staffing Change – Appointment of Erin Gardner as permanent Operations Specialist	

BACKGROUND

Erin Gardner was hired as Administrative Assistant on August 21, 2019, as a “temporary” employee. On April 1, 2020, Ms. Gardner was hired as a permanent, full-time Operations Specialist, with an annual salary of \$49,038, which is Step 3 on the Foundation Staff Salary Schedule, and receives an additional annual cash-in-lieu health and welfare benefit of \$5,000.

RECOMMENDATION

Jon Hooten, executive director of College Advancement, recommends approval of hiring Ms. Gardner as Operations Specialist effective April 1, 2020.

**ALLAN HANCOCK COLLEGE FOUNDATION
STAFF SALARY SCHEDULE
Effective July 1, 2019**

		1% COLA						
<u>RANGE</u>		<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>
A	HOURLY	24.10	25.30	26.57	27.90	29.29	30.75	32.29
	MONTHLY	3,864	4,057	4,260	4,473	4,696	4,931	5,178
	ANNUAL	46,363	48,681	51,115	53,670	56,354	59,172	62,130
B	HOURLY	23.12	24.27	25.49	26.76	28.10	29.50	30.98
	MONTHLY	3,707	3,892	4,087	4,291	4,505	4,731	4,967
	ANNUAL	44,478	46,702	49,038	51,490	54,064	56,767	59,605
C	HOURLY	21.81	22.90	24.05	25.25	26.91	28.26	29.67
	MONTHLY	3,497	3,672	3,856	4,048	4,315	4,530	4,757
	ANNUAL	41,967	44,065	46,268	48,581	51,776	54,364	57,082

<u>RANGE</u>	<u>TITLE</u>
A	Major Gifts Officer Advancement Officer
B	Advancement Specialist Operations Specialist
C	Administrative Assistant Fiscal Technician

*Merit increases are based on individual employee performance and not included in the salary schedule.