



**Executive Committee Meeting  
Meeting to be held remotely  
Wednesday, April 7, 2021 ❖ 4 – 5 p.m.**

In response to the coronavirus pandemic, the Governor has issued [Executive Order N-25-20](#), [Executive Order N-29-20](#), and [Executive Order N-35-20](#) modifying the Brown Act in order to facilitate essential public meetings being held through remote methods, such as telephonically or electronically. Directors and staff will attend via video conference.

The meeting will be conducted via Zoom: Meeting ID <https://hancockcollege.zoom.us/j/93847516603>

*Please note the meeting may be recorded for future viewing.*

**AGENDA**

	<b>Page</b>	<b>Tentative Time</b>
1. Call to Order		4:00 p.m.
2. Roll Call		
3. Public Comment		
<i>This section of the agenda is intended for members of the public to address the Executive Committee on items involving the Foundation that are being considered. Please note that directors are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda. If you wish to speak to any item listed, please complete a Request to Speak Card available from the executive director. It is suggested that speakers limit themselves to five minutes.</i>		
4. Approval of Agenda for April 7, 2021 (ACTION)		4:01 p.m.
5. Approval of Minutes – January 13, 2021 (ACTION)	1-4	
6. Executive Director’s Report (Information)		4:03 p.m.
7. Consent Agenda (ACTION)		
<i>Consent agenda items are consistent with adopted policies and approved practices of the Foundation and are deemed routine in nature. They will be acted upon by a vote in one motion without discussion unless members of the board request an item’s removal from the consent agenda.</i>		
7.A. New Student Representative – Lennette Espinoza	5	4:05 p.m.
7.B. Board Member Resignation – Frank Campo	6	
7.C. Advancement Committee Report	7-12	
7.D. President’s Circle Subcommittee Report	13	
7.E. Scholarship Subcommittee Report	14	
7.F. 2021-2022 Calendar of Meetings and Events	15-16	
8. Finance Committee		4:10 p.m.



**Executive Committee Meeting**  
**Meeting to be held remotely**  
**Wednesday, April 7, 2021 ❖ 4 – 5 p.m.**

8.A. Approval of Financial Statements through 2/28/2021 (ACTION)	17-20	
8.B. Approval of Proposed 2021-2022 Operating Budget (ACTION)	21-22	
8.C. Approval of Proposed 2021-2022 Foundation Budget – All Funds (ACTION)	23-24	
8.D. Independent 2019-2020 Auditor’s Report (ACTION)	25-41	
8.E. Paycheck Protection Program Loan Forgiveness (Information)	42-44	
8.F. Investment Advisor Review (Information)	45	
8.G. Moving of Scholarship Funding to Active Assets (Information)	46	
9. Quarterly Board Meeting – April 22, 2021 – Agenda Review (Information)	47-48	4:30 p.m.
10. Consideration of New Business (Information)		4:35 p.m.
11. Next Meeting – July 7, 2021, 4-5 p.m.		
12. Adjourn (ACTION)		5:00 p.m.

*In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Allan Hancock College Foundation office at (805) 925-2004. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.*

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

Jon Hooten, Executive Director  
Allan Hancock College – College Advancement

Executive Committee Members:

- Lee-Volker Cox, President, Chair
- Judith Dale, Vice President
- Debra Hood, Secretary
- Glenn Owen, Treasurer
- Jim Bray, Director
- Robert Manning, Director
- Jeff Hall, AHC Trustee
- Kevin Walthers, AHC President/Superintendent

**ALLAN HANCOCK COLLEGE FOUNDATION**  
**A REGULAR MEETING OF THE EXECUTIVE COMMITTEE**  
**Minutes of January 13, 2021 4 – 5 pm**

A regular meeting of the Executive Committee was held on Wednesday, January 13, 2021, at 4 p.m. via Zoom teleconference. This meeting was held remotely in compliance with Governor Newsom’s shelter-at-home order issued to help protect against the spread of COVID-19.

**1. Call to Order**

Foundation board president, L.V. Cox, called the meeting to order at 4:04 p.m.

**2. Roll Call**

*Executive Committee*      L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Members Present:*  
*College Staff:*            J. Hooten  
*Foundation Staff:*        E. Gardner, T. McKee, N. Rucobo  
*Absent:*                      None  
*Recorder:*                  T. McKee  
*Guests:*                      D. Hood

D. Hood joins the meeting as a guest. M. Nanning holds position of secretary and will vote on all motions until D. Hood assumes the role at the January 28, 2021 board meeting.

J. Hooten introduced T. McKee as the Foundation’s newly hired Administrative Assistant. T. McKee will take on the role of recorder for all committee and board meetings.

**3. Public Comment - None**

**4. Approval of Agenda (ACTION)**

**MOTION:** On a motion by J. Dale, seconded by B. Manning, the agenda for January 13, 2021, meeting of the Executive Committee was approved by the following vote:

*Ayes:*                      L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:*                      None  
*Abstentions:*          None

**5. Approval of Minutes (ACTION)**

The minutes of the October 7, 2020, Executive Committee meeting were reviewed.

**MOTION:** On a motion by J. Hall, seconded by M. Nanning, the minutes from October 7, 2020, were approved by the following vote:

*Ayes:*                      L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:*                      None  
*Abstentions:*          None

**6. Consent Agenda (ACTION)**

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

Consent agenda items include:

6.A. 2021 College Trustee Appointments

- 6.B. Advancement Committee Report
- 6.C. President’s Circle Subcommittee Report
- 6.D. Foundation Resolution 2021-01 Authorization of Savings, Checking, and Investment Account Signatures

The committee agreed that the Advancement Committee report is a good overview of Foundation fundraising efforts and will be beneficial to have this report moving forward.

**MOTION:** On a motion by B. Manning, seconded by G. Owen, the consent agenda was approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

## 7. Governance and Nominations Committee

J. Hooten presented for the committee.

### 7.A. Board Member Term Ends, January 2021 – Mary Nanning (Information)

M. Nanning’s term of service will end at the January 28, 2021 board meeting. D. Hood has been invited to attend this meeting prior to M. Nanning’s departure.

### 7.B. Board Member Nomination – Erica Jane Flores (ACTION)

The committee reviewed the nomination of E. Flores to serve on the board of directors.

**MOTION:** On a motion by M. Nanning, seconded by J. Dale, was E. Flores’ nomination to serve on the Allan Hancock College Foundation Board of Directors was approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

### 7.C. Resolution 2021-02 – Naming Doris T. Lahr Director Emerita (ACTION)

D. Lahr served as a Foundation director for nearly nine years until her passing on October 1, 2020. In addition to establishing the Lahr Family Scholarship Endowment in 2014, D. Lahr also contributed the inaugural gift to the Hancock Promise campaign in 2017. The Governance and Nominations Committee recommends D. Lahr be named Director Emerita, In Memoriam.

**MOTION:** On a motion by G. Owen, seconded by J. Hall, Resolution 2021-02 -Naming Doris T. Lahr Director Emerita, In Memoriam was approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

## 8. Finance Committee

### 8.A. Financial Statements Through 11/30/2020 (ACTION)

G. Owen reviewed the financial overview for the Foundation general operations and investments. Expenditures are on target for what was projected.

**MOTION:** On a motion by G. Owen, seconded by B. Manning, the financial statements were approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

**8.B. Linsco Private Ledger Transfer to Charles Schwab & Co. (ACTION)**

The Foundation received a letter and information from investment advisor Aaron Clark, Monarch Wealth Strategies, with a request to transfer the Foundation's investment held at Linsco Private Ledger (LPL) Financial to Charles Schwab & Co. G. Owen reviewed details of the transfer with the committee.

**MOTION:** On a motion by G. Owen, seconded by J. Dale, the transfer of Foundation investments held at LPL Financial to Charles Schwab & Co. was approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

**8.C. Endowment Trailing Quarters Funding (ACTION)**

The committee discussed changing the Foundation's annual one-year snapshot policy in determining endowment funding for scholarships and programs to trailing quarters.

**MOTION:** On a motion by G. Owen, seconded by J. Hall, the Executive Committee approved changing the Foundation's annual one-year snapshot policy in determining endowment funding to trailing 12-quarters, effective fiscal year 2021-2022 by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

**8.D. Review and Approval of Investment Policy Statement (ACTION)**

G. Owen reviewed the modifications to the current investment policy.

**MOTION:** On a motion by G. Owen, seconded by J. Hall, modifications to the current investment policy were approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

G. Owen leaves meeting due to technical difficulties at 4:36 p.m. J. Hooten presents the Finance Committee items in his absence.

**8.E. Review and Approval of Endowment Funding Policy (ACTION)**

The committee reviewed the AHCF Endowment Funding Policy. The policy is utilized when determining the annual endowment value for scholarship and program funding. The proposed changes will allow more flexibility amongst the various funds and remove the blanket policy we currently have.

**MOTION:** On a motion by J. Dale, seconded by M. Nanning, the revised Endowment Funding Policy for funding beginning fiscal year 2021-2022 was approved by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

**8.F. 2020-2021 Endowment Scholarship and Program Funding (ACTION)**

The Finance Committee recommended that the Executive Committee approve the 2020-2021 endowment and program funding at 5% for a total of \$555,300 for scholarships and programs. Approval of this endowment funding combined with rollover funding will designate \$321,010 for scholarships.

**MOTION:** On a motion by J. Bray, seconded by J. Dale, the Executive Committee approved the 2020-2021 endowment scholarship and program funding at 5% for a total of \$555,300 by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

#### **9. Scholarship Subcommittee Report (Information)**

B. Manning thanked staff for their hard work on this scholarship season. The committee will start reviewing applications after the deadline on February 10, 2021. Over 400 applications have been submitted so far. J. Hooten recognized N. Rucobo's work since taking over the program from T. McCracken three years ago. Committee members are encouraged to join the scholarship subcommittee in reviewing applications.

N. Rucobo left at 4:47 p.m.

#### **10. Foundation Staffing Update (ACTION)**

T. McKee left the meeting for this item and E. Gardner assumed the role of recorder.

The Foundation hired Tracy Jimenez McKee as a full-time Administrative Assistant on November 16, 2020, at Step 2 of the salary schedule \$44,946 plus \$5,500 annual cash-in-lieu of medical benefits.

Terri Lee Coleman was also hired to help solicit sponsorships for the centennial finale event. The temporary, part-time position will initially be paid \$4,375 for an average of five hours of work per week effective January 2021 through the event in May 2021. The total cost of the temporary position, including payroll taxes, will be \$5,015 which will be accounted for in the final centennial finale event budget.

**MOTION:** On a motion by M. Nanning, seconded by B. Manning, the Executive Committee approved the hiring of T. McKee and T.L. Coleman by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, G. Owen, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

#### **11. Consideration of New Business**

None

#### **12. Executive Director's Report (Information)**

The Foundation has created a working committee to plan the centennial's finale. J. Hooten shared the centennial finale concept ideas and encouraged committee members to share their ideas regarding the program. The working committee is discussing May 22, 2021 as the event date.

#### **13. Quarterly Board Meeting – January, 28 2021 – Agenda Review (Information)**

The committee reviewed the agenda for the January 28, 2021, annual organizational board meeting. No changes were requested.

#### **14. Next Meeting – April 7, 2021, 4-5 p.m.**

L.V. Cox thanked G. Owen and the Finance Committee for their work.

#### **15. Adjourn (ACTION)**

**MOTION:** On a motion by J. Bray, seconded by M. Nanning, the meeting was adjourned at 5:04 p.m. by the following vote:

*Ayes:* L.V. Cox, J. Dale, M. Nanning, J. Bray, B. Manning, J. Hall, K. Walthers  
*Noes:* None  
*Abstentions:* None

<b>To: Executive Committee</b>	<b>CONSENT</b>
<b>From: Jon Hooten, Executive Director Allan Hancock College Foundation</b>	<b>April 7, 2021</b>
<b>Subject: New Student Representative – Lennette Espinoza</b>	

**BACKGROUND**

The previous Associated Student Body Representative on the Foundation Board, Fernando Gonzalez Orozco, did not enroll in classes in the spring, therefore he was ineligible to continue serving as ASBG president. Lennette Espinoza transitioned to the role of ASBG president for the spring semester and will continue to hold this office until May of 2021.

**RECOMMENDATION**

The Executive Director recommends the Executive Committee accept the appointment of ASBG president, Lennette Espinoza, as ASBG representative on the Foundation Board.

<b>To: Executive Committee</b>	<b>CONSENT</b>
<b>From: Jon Hooten, Executive Director Allan Hancock College Foundation</b>	<b>April 7, 2021</b>
<b>Subject: Board Member Resignation – Frank Campo</b>	

**BACKGROUND**

F. Campo submitted his resignation from the Allan Hancock College Foundation Board of Directors, effective April 23, 2021. Foundation staff would like to thank him for his service as board director.

**RECOMMENDATION**

The Executive Director recommends the Executive Committee accept the resignation of Frank Campo, effective April 23, 2021.



<b>To: Executive Committee</b>	<b>CONSENT</b>
<b>From: Jon Hooten, Executive Director Allan Hancock College Foundation</b>	<b>April 7, 2021</b>
<b>Subject: Advancement Committee Report</b>	

**BACKGROUND**

The quarterly Foundation Giving Report provides a snapshot of Foundation fundraising between January 1 and March 19 for both 2020 and 2021. The first line, *Total Revenue Committed*, represents revenue from all one-time gifts and pledges made in that time frame whereas *Total Revenue Received* reflects all one-time gifts and payments made on pledges. Note that received revenue in 2021 is more than committed revenue because pledge payments were received on pledges that were committed before January 1, 2021 (outside of the report window). Foundation revenue is further broken out by campaign category illustrating the designation for revenue received in each time period.

<b><u>Foundation Revenue Comparison</u></b>	<b><u>Jan. 1 – Mar. 19, 2020</u></b>	<b><u>Jan. 1 – Mar. 19, 2021</u></b>
Total Revenue Committed	\$1,594,208	\$232,152
<b>Total Revenue Received</b>	<b>\$1,582,558</b>	<b>\$244,622</b>
<b>Received Revenue by Campaign</b>		
Hancock Promise	\$1,407,208 <sup>1</sup>	\$148,470
Annual Scholarships	\$70,153	\$59,099 <sup>2</sup>
Endowed Scholarships	\$8,491	\$20,448 <sup>3</sup>
Endowments (Other) <sup>4</sup>	\$0	\$0
President's Circle	\$8,551	\$7,419
Student Emergency Fund	\$8,960 <sup>5</sup>	\$270
Unrestricted Operations	\$7,131	\$7,236
Other restricted (Depts, programs, etc.)	\$72,064	\$1,680 <sup>6</sup>
	<b>\$1,582,558</b>	<b>\$244,622</b>

<sup>1</sup> We received approximately \$1,374,000 from the Mary and Wayne Leutloff bequest in 2020.

<sup>2</sup> Timing of annual gifts often plays a role in Annual Scholarship revenue reporting, as gift dates tend to vary for donors from year to year.

<sup>3</sup> We received a \$15,400 bequest in 2021 (new scholarship endowment).

<sup>4</sup> The *Endowments (Other)* category contains all gifts to non-scholarship endowments that support Hancock programs or the Foundation. The Foundation did not receive any contributions to this category within the report windows.

<sup>5</sup> In response to the COVID-19 lockdown, the Foundation launched an emergency campaign on March 17, 2020, and subsequently raised nearly \$50,000 for the Allan Hancock College Student Emergency

Fund. The President’s Circle was the first contributor with \$10,000 designated for the Student Emergency Fund, though that figure is not listed here as it was not revenue received by the Foundation in 2020. Please note that this figure only reflects what was raised by March 19, 2020. The rest of the revenue falls outside of the report window.

<sup>6</sup> The decrease in *Other Restricted* funds is due to a decrease in revenue to the Hancock Promise Working Fund from the AHC Bookstore (Auxiliary Corporation). The funds received each year was a percentage of bookstore sales which has drastically decreased since the start of the pandemic in March 2020, and ultimately ceased in 2021. Another major contributor to this decrease is the decreased grant revenue in 2021, as many private foundations shifted priorities to funding basic needs during the pandemic. Included below is detail of grants received in both 2020 and 2021.

<b>AHC Foundation Grants 2020</b>	<b>Date</b>	<b>Amt</b>	<b>Designation</b>
Santa Barbara Foundation	1/17/2020	\$25,000	Bulldog Bound
Santa Barbara Foundation	4/13/2020	\$20,000	Student Emergency Fund
Foundation for California Community Colleges	4/29/2020	\$4,545	Student Healthcare Support
The Community Foundation SLO County	6/22/2020	\$5,000	Aspire Program
The Fund for Santa Barbara, Inc.	6/22/2020	\$10,000	BIGE Club
Henry W. Bull Foundation	6/30/2020	\$5,000	Hancock Promise Fund
Exxon Mobil Corporation	7/8/2020	\$3,300	AHC MESA Program
Arthur N. Rupe Foundation	7/23/2020	\$40,000	Arthur Rupe Foundation Scholarship
Sierra College	7/23/2020	\$3,908	SkillsUSA
The Fund for Santa Barbara, Inc.	10/6/2020	\$10,000	BIGE Club
		<b>\$126,753</b>	
<b>AHC Foundation Grants 2021</b>	<b>Date</b>	<b>Amt</b>	<b>Designation</b>
Hutton Parker Foundation	3/4/2021	\$2,500	Media grant - Centennial Celebration
Santa Ynez Valley Rotary	3/16/2021	\$5,000	Hancock Promise
<b>SUBTOTAL</b>		<b>\$7,500</b>	
Bank of America - PENDING	2/18/2021	\$10,000	Student Emergency Fund, Submitted on 2/18
<b>TOTAL</b>		<b>\$17,500</b>	

Other Metrics

The below report tracks total number of donors, number of new donors, and LYBUNTS for the 2019 and 2020 calendar years, as well as January 1 – March 19, 2020, and January 1 – March 19, 2021. (LYBUNTS is an acronym for *Last Year But Unfortunately Not This.*) For each year listed, LYBUNTS represent the number of donors who gave in the time frame the previous year, but not in the one listed i.e. gave in 2018 but not 2019, or gave during January 1 – March 19, 2019 but not January 1 – March 19, 2020.

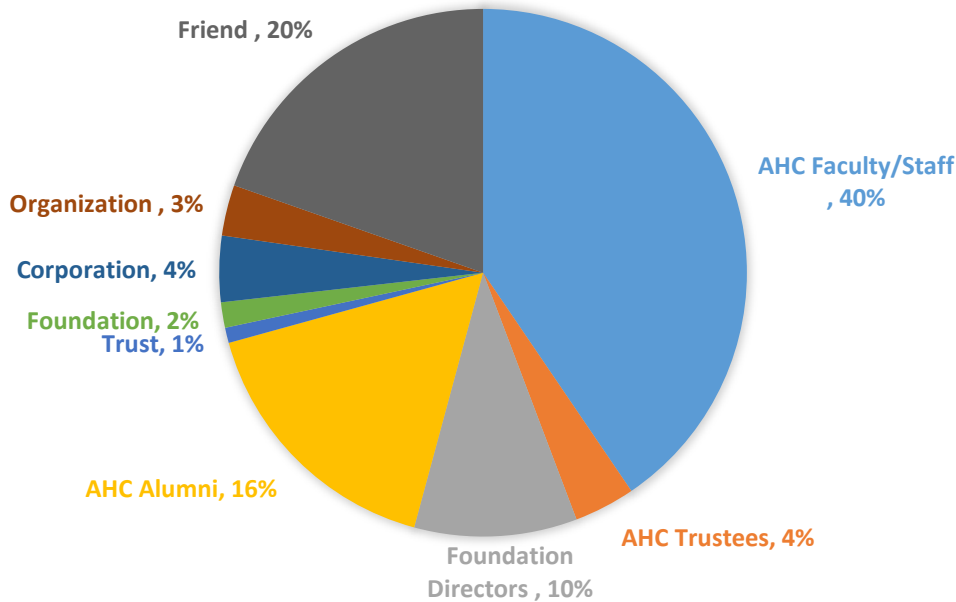
	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>Jan. 1 – Mar. 19, 2020</u></b>	<b><u>Jan. 1 – Mar. 19, 2021</u></b>
Number of donors	420	482	184	135
New donors	131	167	37	9
LYBUNTS	197	192	62	88

Donor Composition

The below charts illustrate the constituency breakdown by both number of gifts and total revenue for report period giving us an idea of Foundation donor demographics. The top two graphs examine January 1 – March 19, 2020, while the bottom two show the same period in 2021.

January 1 – March 19, 2020

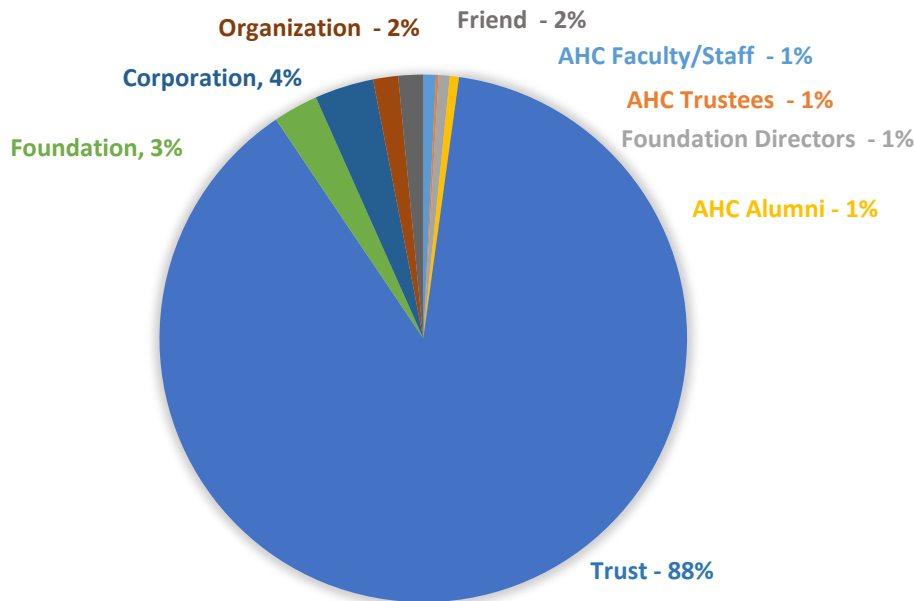
**GIFTS BY CONSTITUENT CODE**



Though AHC Faculty and staff (both current and former), make up the highest number of gifts in 2020 with 130 gifts, 88% of the revenue within this time period came from a \$1,398,946 portion of the Mary and Wayne Leutloff bequest.

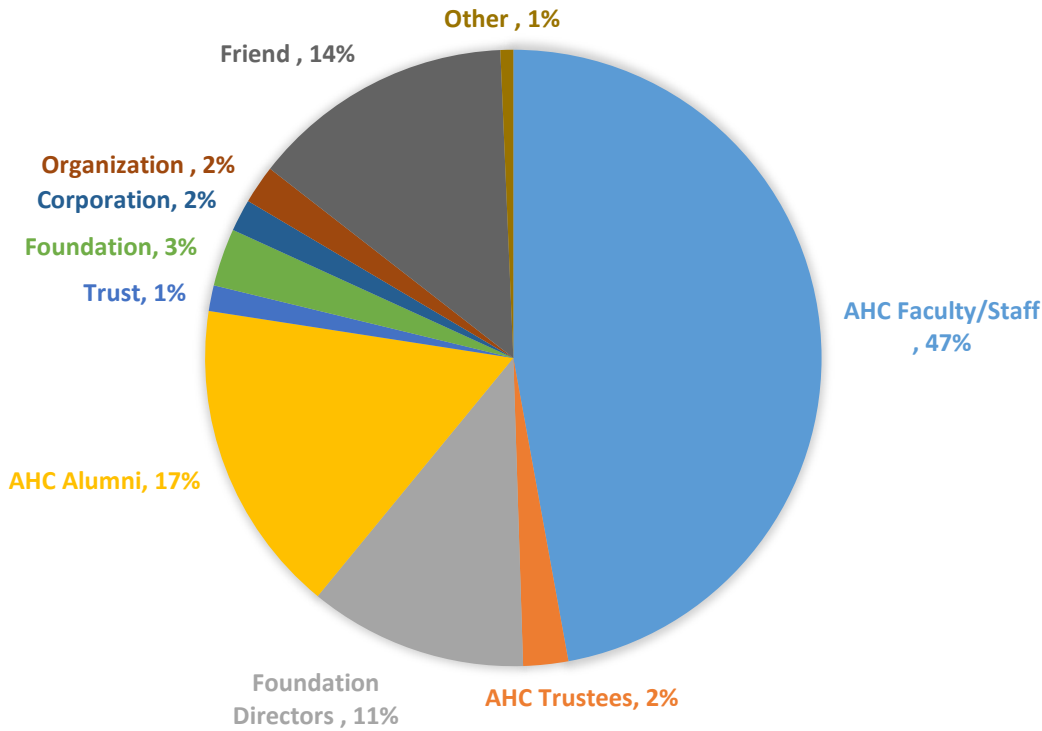
After the bequest, most revenue was a result of gifts from Corporations (\$57,275) and Foundations (\$43,700).

**REVENUE BY CONSTITUENT CODE**



January 1 – March 19, 2021

### GIFTS BY CONSTITUENT CODE

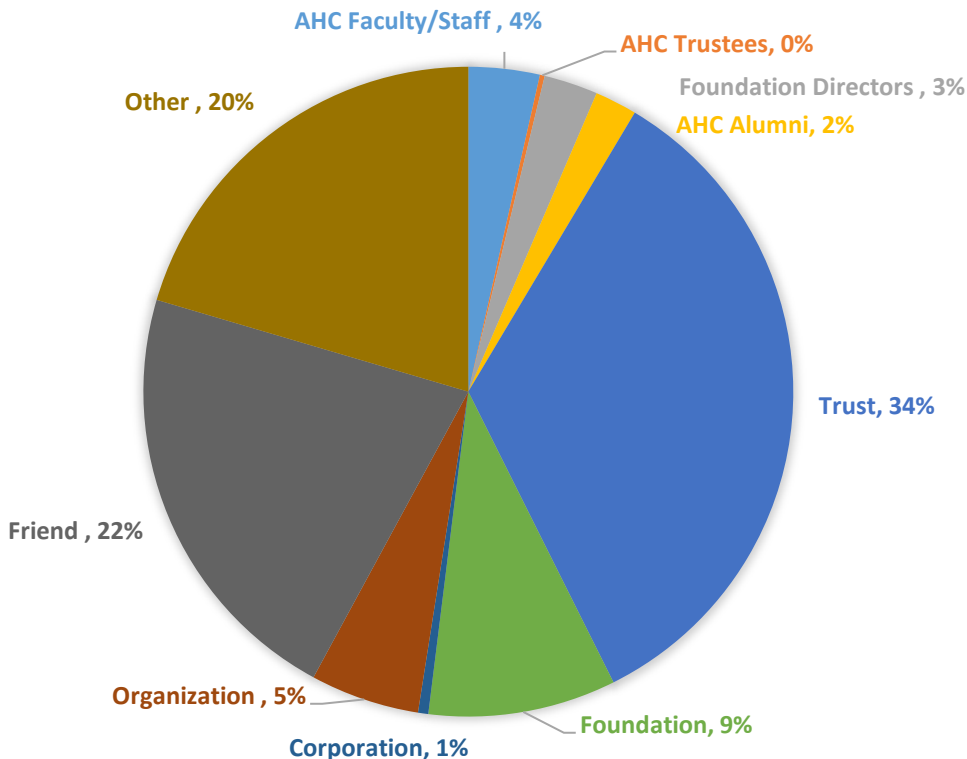


Similar to revenue received in 2020, the majority of gifts between January 1 and March 19, 2021, came from current and former AHC Faculty and Staff at 140 gifts.

Total revenue during this time period, however was more evenly distributed with \$83,331 coming from Trusts, \$52,970 from Friends, and \$50,000 from Other.

In the Foundation’s database, Friends are considered donors who do not fall into the other outlined categories and Other is used for the US Department of Education, which gave the first \$50,000 of the \$250,000 matching pledge awarded with the Title V grant.

### REVENUE BY CONSTITUENT CODE



District Support

The Foundation has been a resource for thousands of students over the last 44 years, and though the scholarship program is a big part of the Foundation’s history, the Foundation also provides the AHC Joint Community College District support for other programs and projects. Below is a report of restricted fund expenses paid to the district during fiscal year 2019-2020 in support of Hancock students.

<u>Restricted Funds Expenses</u>	
AHC Programs (dept. support)	\$ 200,694.00
President's Circle	\$ 64,306.00
Student Emergency Fund	\$ 42,270.00
AHC Clubs	\$ 583.00
<b>Subtotal</b>	<b>\$ 307,853.00</b>
<u>Scholarships Funded</u>	
Scholarships	\$ 607,185.00
<b>Subtotal</b>	<b>\$ 607,185.00</b>
<b>FY20 Total District Support</b>	<b>\$ 915,038.00</b>

Hancock Promise Campaign Update

As of March 19, 2021, the Hancock Promise campaign has \$4,534,359 in gifts and pledges toward its \$10 million goal. This includes \$356,740 in “quiet funds” committed to the Centennial Circle over our public total of \$4,177,619.

**Hancock Promise Campaign**

Public Total	\$4,177,619
Centennial Circle*	\$356,740
<b>Campaign Total</b>	<b>\$4,534,359</b>

**Hancock Promise Gift Pyramid – Gifts Needed to Raise \$10 million**

Gift Level	# Gifts Needed	Gift Level Goal	# Gifts and Pledges Committed	\$ Gifts and Pledges Received	% of level goal	# gifts goal
\$2,000,000	1	\$2,000,000	1	\$2,181,387	109%	100%
\$750,000	1	\$750,000	1	\$1,000,000	133%	100%
\$500,000	3	\$1,500,000	0	\$0	0%	0%
\$250,000	6	\$1,500,000	1	\$250,000	17%	17%
\$100,000	10	\$1,000,000	1	\$100,000	10%	10%
\$50,000	20	\$1,000,000	1	\$50,000	5%	5%
\$25,000	20	\$500,000	10	\$324,100	65%	50%
\$10,000	50	\$500,000	24	\$314,740	63%	48%
\$5,000	150	\$750,000	16	\$84,000	11%	11%
<\$5,000	450+	\$500,000	755	\$230,132	46%	n/a
		<b>\$10,000,000</b>	<b>810</b>	<b>\$4,534,359</b>	<b>45%</b>	<b>n/a</b>

Since January 1, 2021, the Foundation has added more than \$140,000 to the campaign total including an additional \$43,000 from the Mary and Wayne Leutloff Trust, a \$30,000 Centennial Circle gift from Lester Strong, and \$5,000 from the Santa Ynez Valley Rotary Foundation. In January, 2021, the Foundation also received the first \$50,000 of the \$250,000 matching gift pledge designated through the Title V grant. Staff plans to leverage this to launch a matching gift mini-campaign via email and social media to encourage gifts to the Promise.

**Centennial Circle\***

The Centennial Circle is a quiet campaign started in 2019 to add to the public total at the end of AHC's centennial celebration in 2021. After the pandemic put a hold on the planned series of receptions targeting gifts of \$10,000 or more, the Foundation shifted fundraising efforts to the Student Emergency Fund and more immediate needs. With the Centennial Celebration nearing, any gifts of \$10,000 or more will be added as a Centennial Sponsor with a spot in the Centennial Circle. A list of current Centennial Circle contributors is included in the packet; we welcome your suggestions for additional prospects.

Staff plans to formally announce the Centennial Circle gift to the campaign at Hancock's Centennial Celebration – a virtual event on May 22, 2021.

<b>To: Advancement Committee</b>	<b>CONSENT</b>
<b>From: Maggi Daane, Chair President’s Circle Subcommittee</b>	<b>April 7, 2021</b>
<b>Subject: President’s Circle Subcommittee Report</b>	

**BACKGROUND**

Membership Report

January 1 2021 – March 19, 2021

<b>Current</b>	<b>54</b>
Pending Renewal	6
Lapsed	1

Financial Report

	July 1, 2020 – December 31, 2020	January 1, 2021 – March 19, 2021
<b>Opening Balance</b>	<b>\$52,388.00</b>	<b>\$83,706.78</b>
Revenue	\$42,378.00	\$7,418.59
<b>Subtotal</b>	<b>\$94,766.00</b>	<b>\$91,125.37</b>
Expenses	\$11,059.22	\$11,591.29
<b>Balance</b>	<b>\$83,706.78</b>	<b>\$79,534.08</b>

President’s Circle Renewals

The Foundation’s membership tracking software has allowed for renewals to be sent quarterly starting in 2021. In March 2021, the Foundation issued three renewal letters and has received three renewals as a result. Staff plans to follow up with pending renewals in the coming weeks.

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

Centennial Celebration

The Foundation is offering membership to Centennial Celebration sponsors of \$1,000 or more (for sponsors who are not currently in the President’s Circle). The included membership will function as a “sneak peek” of the President’s Circle program and offers the opportunity to solicit top sponsors for President’s Circle renewals next year.

As a part of the Centennial Celebration, the President’s Circle will host a pick-up party event on Saturday, May 15, 2021, at the AHC Winery. President’s Circle members and Centennial Celebration top sponsors are invited to stop by the winery to enjoy a glass of wine and light snacks and pick up their Centennial Celebration party boxes to enjoy during the virtual event on May 22. Similar to the stewardship event held in November, 2020, the pick-up party will be held outdoors in the winery yard following SBC County safety guidelines.

<b>To: Advancement Committee</b>	<b>CONSENT</b>
<b>From: Bob Manning, Chair Scholarship Subcommittee</b>	<b>April 7, 2021</b>
<b>Subject: Scholarship Subcommittee Report</b>	

**BACKGROUND**

Scholarship awarding is moving quickly, the committee has awarded over \$200,000 and is working hard to finish the awarding process next week. Donors will receive a save the date invite to our virtual zoom meetings within 2 weeks. Students will be notified via email whether or not they received a scholarship or not by the end of this month.

The scholarship program will break a record in the amount of funding that will be awarded this year. Scholarship funding is well over \$500,000.



<b>To: Executive Committee</b>	<b>CONSENT</b>
<b>From: Jon Hooten, Executive Director College Advancement</b>	<b>April 7, 2021</b>
<b>Subject: 2021-2022 Fiscal Year Calendar of Meetings and Events</b>	

**BACKGROUND**

The 2021-2022 proposed Foundation meeting calendar is included on the next page for review by the executive committee.

**RECOMMENDATION**

Staff recommends approval of the 2021-2022 proposed meeting calendar as presented. If approved, the proposed calendar will be forwarded to the full board for their review and approval at the April 22, 2021 quarterly meeting.

### Upcoming Meetings and Events

Meeting or Event	Day	Date	Time	Location
Advancement Committee	W	6/30/2021	4-5 p.m.	TBD
Governance and Nominations Committee	M	TBD	11 a.m. - 12 p.m.	TBD
Finance Committee	W	7/7/2021	2-3:30 p.m.	TBD
Executive Committee	W	7/7/2021	4-5 p.m.	TBD
<b>Board of Directors Annual Organizational Meeting</b>	Th	7/22/2021	4-6 p.m.	TBD
Advancement Committee	W	10/6/2021	4-5 p.m.	TBD
Governance and Nominations Committee	M	10/11/2021	11 a.m. - 12 p.m.	TBD
Finance Committee	W	10/13/2021	2-3:30 p.m.	TBD
Executive Committee	W	10/13/2021	4-5 p.m.	TBD
<b>Board of Directors Quarterly Board Meeting</b>	Th	10/28/2021	4-6 p.m.	TBD
Advancement Committee	W	1/5/2022	4-5 p.m.	TBD
Governance and Nominations Committee	M	1/10/2022	11 a.m. - 12 p.m.	TBD
Finance Committee	W	1/12/2022	2-3:30 p.m.	TBD
Executive Committee	W	1/12/2022	4-5 p.m.	TBD
<b>Board of Directors Quarterly Board Meeting</b>	Th	1/27/2022	4-6 p.m.	TBD
Advancement Committee	W	4/6/2022	4-5 p.m.	TBD
Governance and Nominations Committee	M	4/11/2022	11 a.m. - 12 p.m.	TBD
Finance Committee	W	4/13/2022	2-3:30 p.m.	TBD
Executive Committee	W	4/13/2022	4-5 p.m.	TBD
<b>Board of Directors Quarterly Board Meeting</b>	Th	4/28/2022	4-6 p.m.	TBD
Scholarship Banquet	Th	5/26/2022	TBD	TBD
Commencement	F	5/27/2022	TBD	TBD
Advancement Committee	W	7/6/2022	4-5 p.m.	TBD
Governance and Nominations Committee	M	7/11/2022	11 a.m. - 12 p.m.	TBD
Finance Committee	W	7/13/2022	2-3:30 p.m.	TBD
Executive Committee	W	7/13/2022	4-5 p.m.	TBD
<b>Board of Directors Annual Organizational Meeting</b>	Th	7/28/2022	4-6 p.m.	TBD

*Note: The 2021-2022 fiscal year calendar will be presented for approval at the April 2021 quarterly board meeting.*

<b>To: Executive Committee</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Review and Approval of Financial Statements</b>	

**BACKGROUND**

A review of the Allan Hancock College Foundation financial statements through 2/28/2021

8.A. AHC Foundation Financial Overview - General Operations (prepared by G. Owen)	2/28/2021	pg. 18
8.A. AHC Foundation Financial Overview - All (prepared by G. Owen)	2/28/2021	pg. 19
8.A. AHC Foundation Financial Overview - Investments (prepared by G. Owen)	2/28/2021	pg. 20

**RECOMMENDATION**

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

## AHC Foundation Financial Overview - General Operations

Statement of Activity	Actual as of 2/28/2021	% of Budget	Budget 2020-21
Support and revenue			
Unrestricted contributions	51,128	128%	40,000
PPP loan forgiveness income	12,998		
Transfers in (out):	-		
Admin fee @ 1.5%	80,578	98%	82,500
President's Circle Fee @1%	-	0%	15,000
Unrestricted endowment proceeds	6,100	122%	5,000
Promise fee 1.5%	8,782	117%	7,500
Hansen Proceeds	7,631	68%	11,271
Interfund transfers (out)	-		(22,500)
District support foundation operations	47,971	25%	194,355
Net transfers in (out)	151,062	52%	293,126
Other	60	14%	425
Total support and revenue	215,248	65%	333,551
Expenditures - See below	(212,408)	59%	(360,801)
Other Income:			
Net realized gain	3,910		-
Net unrealized gain (loss)	46,554		
Interest and dividends	13,177	48%	27,250
Total other income	63,641	234%	27,250
Change in net assets	66,481		-
Net assets, beginning	389,170		
Net assets, end	455,651		-

Statement of Financial Position	Actual as of 2/28/2021
<b>Assets</b>	
Current Assets	
Cash	449,786
Due from other funds	6,437
Total current assets	456,223
Total assets	456,223
<b>Liabilities and Net assets</b>	
Current liabilities	572
Net Assets	455,651
Total liabilities and net assets	456,223

	Actual as of 2/28/2021	% of Budget	Budget 2020-21
Expenditures			
Advertising and postage	4,593	63%	7,250
Bank and brokerage charges	5,553	74%	7,500
Building and equipment	-	0%	2,350
Community activities	1,000	7%	14,250
Contracts and leases	2,139	36%	6,000
District college support	-		
Employee benefits	16,113	67%	24,038
Food	2,381	40%	6,000
Memberships and permits	308	12%	2,550
Miscellaneous expense	-		
Payroll PPP forgiveness	12,998		-
PCPA support	-		
Salaries	149,405	57%	261,863
Scholarship fund transfers out	-		
Software maintenance agreement	5,000	50%	10,000
Supplies and materials	8,675	69%	12,500
Student assistance	-		
Travel and conference	4,243	65%	6,500
<b>Total expenditures</b>	<b>212,408</b>	<b>59%</b>	<b>360,801</b>

## AHC Foundation Financial Overview - All

Statement of Activity	Actual as of 2/28/2021
Support and revenue	
Unrestricted contributions	1,258,394
PPP loan forgiveness income	12,998
Other	570
Total support and revenue	1,271,962
Expenditures - See below	1,035,885
Other Income:	
Net realized gain	491,962
Net unrealized gain (loss)	3,794,452
Interest and dividends	489,421
Total other income	4,775,835
Other transfer-in:	
District advancement officer	
Other	(106,741)
District support for foundation operations	47,971
Total other transfer-in	(58,770)
Change in net assets	4,953,142
Net assets, beginning	30,003,965
Net assets, end	34,957,107

Statement of Financial Position	Actual as of 2/28/2021
<b>Assets</b>	
Current Assets	
Cash	2,499,814
Accounts receivable	-
Pledges receivable - current	178,844
Other assets	1,270
Due from other funds	37,013
Total current assets	2,716,941
Pledges receivable - non current	355,466
Investments (cost)	25,812,662
Investments (FMV adjustment)	6,092,813
<b>Total assets</b>	<b>34,977,882</b>
<b>Liabilities and Net assets</b>	
Current liabilities	573
Due to Scholarships	20,200
<b>Net Assets</b>	<b>34,957,107</b>
<b>Total liabilities and net assets</b>	<b>34,977,880</b>

	Actual as of 2/28/2021
Expenditures	
Advertising and postage	4,626
Bank and brokerage charges	171,825
Building and equipment	2,512
Community activities	2,546
Contracts and leases	3,389
District College Support	81,672
Employee benefits	16,113
Food	8,707
Memberships and permits	21,261
Miscellaneous	710
Payroll PPP forgiveness	12,998
PCPA support	55,986
Salaries	149,405
Scholarships	450,580
Software licenses & maintenance	5,000
Student Assistance	18,977
Supplies and materials	15,465
Travel and conference	14,113
<b>Total expenditures</b>	<b>1,035,885</b>

## AHC Foundation Financial Overview - Investments

Investment Advisor/Fund	6/30/2020	2/28/2021	Change	% Change
Morgan Stanley - UMA Active Assets	\$ 5,902,820	\$ 6,988,746	\$ 1,085,926	18.40%
Morgan Stanley - UMA Unrestricted	\$ 520,233	\$ 582,808	\$ 62,575	12.03%
Morgan Stanley - Title V		\$ 69,618	\$ 69,618	
Morgan Stanley - Boyd Music Program	\$ 2,310,279	\$ 2,674,859	\$ 364,580	15.78%
Monarch Wealth Strategies	\$ 1,609,985	\$ 1,889,450	\$ 279,465	17.36%
Monarch Wealth Strategies Lahr	\$ 62,937	\$ 72,805	\$ 9,868	15.68%
Interest in CA Community Colleges	\$ 121,564	\$ 145,588	\$ 24,024	19.76%
Northern Trust - Young	\$ 1,287,197	\$ 1,610,152	\$ 322,955	25.09%
Northern Trust - Boyd	\$ 7,290,670	\$ 8,259,358	\$ 968,688	13.29%
Santa Barbara Foundation - Hancock Promise	\$ 3,113,238	\$ 4,066,910	\$ 953,672	30.63%
Mechanics Bank - Boyd	\$ 4,660,100	\$ 5,545,181	\$ 885,081	18.99%
<b>Total</b>	<b>\$ 26,879,023</b>	<b>\$ 31,905,475</b>	<b>\$ 5,026,452</b>	<b>18.70%</b>

### Statement of Financial Position:

Investments (cost)	\$ 25,812,662
Investments (FMV adjustment)	\$ 6,092,813
Net investments reported	\$ 31,905,475

<b>To: Executive Committee</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Approval of 2021-2022 Operations Budget</b>	

**BACKGROUND**

Each year the Finance Committee approves the Foundation's operating budget for the upcoming fiscal period. Staff developed the 2021-2022 proposed budget on the next page, which includes the current approved 2020-2021 budget.

The committees will discuss the proposed budget and revise as needed. The proposed 2021-2022 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 approval of the fiscal year 2021-2022 *Foundation Operating Budget* as submitted to the Finance Committee, and will be forwarded to the Executive Committee and the full board for approval.

**Allan Hancock College Foundation  
Fdn General Operations  
Proposed Fiscal Year 2021-2022 Budget**

Query View                      Budget Quick Query  
Fiscal period start date      07/01/2020  
Fiscal period end date        06/30/2021  
As of Date                        02/28/2021

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

Account	Account Title	Approved Budget	Year-to-Date	Available Balance	FY22 Proposed Budget
214000	Non Bargaining Unit	\$ 261,863	\$ 149,405	\$ 112,458	\$ 265,000
215000	Payroll Expense/Other Forgiveable	\$ -	\$ 12,998	\$ -	\$ -
332000	Classified Non Instr FICA-Soc Scrty	\$ 16,235	\$ 10,069	\$ 6,166	\$ 16,000
336000	Classified Non-Instr FICA-Medicare	\$ 3,797	\$ 2,355	\$ 1,442	\$ 3,800
342000	Classified Non Instr Health & Wlfr	\$ 1,200	\$ 435	\$ 765	\$ 1,200
352000	Classified Non-Instr SUJ	\$ 2,334	\$ 1,976	\$ 358	\$ 1,700
352500	Classified ETT-Foundation	\$ 28	\$ 6	\$ 22	\$ 50
362000	Classified Non Instr Workers Comp	\$ 2,050	\$ 1,272	\$ 778	\$ 2,100
451500	Public Relations/Recognitions	\$ 500	\$ 292	\$ 208	\$ 500
452000	Office/Operational Supplies	\$ 6,000	\$ 2,202	\$ 3,798	\$ 7,000
454000	Non Instr Printing	\$ 8,000	\$ 6,473	\$ 1,527	\$ 8,000
471000	Food - Business Meetings/Events	\$ 5,000	\$ 2,381	\$ 2,619	\$ 6,000
511000	Indep Contractor (Individuals)	\$ 1,000	\$ -	\$ 1,000	\$ 2,500
511200	Service Contracts (Businesses)	\$ 3,500	\$ 2,139	\$ 1,361	\$ 3,500
521000	Travel - All Travel Costs	\$ 2,000	\$ 1,900	\$ 100	\$ 6,500
522000	On-Site-Prof. Develop/Webinars	\$ 2,000	\$ 1,030	\$ 970	\$ 2,000
522400	Foundation Community Activities	\$ 2,500	\$ 1,313	\$ 1,187	\$ 15,500
531000	Dues & Memberships	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,500
532000	Non-Tech Licenses,Permits,Fees	\$ 2,300	\$ 308	\$ 1,992	\$ 1,500
566000	Software Maintenance Agreement	\$ 20,000	\$ 5,000	\$ 15,000	\$ 15,000
569000	Equipment Rental	\$ 850	\$ -	\$ 850	\$ 1,000
587000	Postage/Express Services	\$ 4,250	\$ 2,888	\$ 1,362	\$ 3,500
588000	Advertising	\$ 1,894	\$ 1,413	\$ 481	\$ 2,000
589200	Bank Service Charges	\$ 4,000	\$ 3,276	\$ 724	\$ 4,000
589500	Investment Brokerage Fees	\$ 6,000	\$ 2,278	\$ 3,722	\$ 5,000
641000	Equipment	\$ 1,500	\$ -	\$ 1,500	\$ 1,500
721500	Intrafund Transfers-Out	\$ 22,500	\$ -	\$ 22,500	\$ 12,000
<b>Revenue</b>					
819900	PPP Loan Forgiveness Income	\$ -	\$ 12,998	\$ -	\$ -
882000	Contributions, Gifts, Grants & Endwmnts	\$ 40,000	\$ 51,129	\$ (11,129)	\$ 42,500
886000	Interest and Investment Income	\$ 27,250	\$ 13,177	\$ 14,073	\$ 21,000
887000	Realized Gain/Loss on Investment	\$ -	\$ 50,464	\$ (50,464)	\$ -
889000	Other Local Revenues	\$ 425	\$ 60	\$ 365	\$ 140
898200	Intrafund Transfer-In	\$ 121,271	\$ 103,091	\$ 18,180	\$ 136,000
898300	Other Transfer In	\$ 71,355	\$ 47,971	\$ 23,384	\$ 78,360
898300	Other Transfer In	\$ 123,000	\$ -	\$ 123,000	\$ 123,000
Revenue Total		\$ 383,301	\$ 278,890	\$ 104,411	\$ 401,000
Expenditure Total		\$ 383,301	\$ 212,409	\$ 170,892	\$ 389,350
Report Total (of all records)		\$ -	\$ 66,481	\$ (66,481)	\$ 11,650

Intrafund Transfers-Out	FY21 Budget	Actual	FY22 Budget
Annual Sch. Banquet Support	\$ 22,500	\$ -	\$ 12,000
	\$ 22,500	\$ -	\$ 12,000

Intra Fund Transfers-in	FY21 Budget	Actual	FY22 Budget
Administration Fee @ 1.5%	\$ 82,500	\$ 80,578	\$ 95,000
President's Circle Fee @ 15%	\$ 15,000	\$ -	\$ 7,500
Unrestricted Endowment Proceeds	\$ 5,000	\$ 6,100	\$ 5,000
Hancock Promise Gift Fee @ 1.5%	\$ 7,500	\$ 8,782	\$ 7,500
Hansen Unrestricted Endowment	\$ 11,271	\$ 7,631	\$ 21,000
Other Transfer-In (District Support)	\$ 71,355	\$ 47,971	\$ 78,360
Other Transfer-In (District Support)	\$ 123,000	\$ -	\$ 123,000
	\$ 315,626	\$ 151,062	\$ 337,360



<b>To: Executive Committee</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Approval of Proposed 2021-2022 Foundation - Budget - All Funds</b>	

**BACKGROUND**

Each year the foundation staff prepares a proposed 2021-2022 *Foundation Budget – All Funds* that encompasses all foundation funds--including operations, restricted, scholarship and endowments. The committee will review and approve the attached proposed budget.

**RECOMMENDATION**

Staff recommends approval of the fiscal year 2021-2022 *Foundation Budget – All Funds* as submitted to the Finance Committee, and will be forwarded to the Executive Committee and the full board for approval. Upon approval by the full board the budget will be submitted to the district.

**Allan Hancock College Foundation**  
**All Foundation Funds**  
**Proposed Operating Budget and Budget for District**  
**July 1, 2021 - June 30, 2022**

Account Title	FY21 Gen Opr Budget	FY21 Rest. Sch & End. Budget	Approved FY21 Total Budget	Proposed FY22 Gen Opr Budget	Proposed FY22 Rest. Sch. & End. Budget	FY22 Proposed Total Budget
<b>EXPENDITURES</b>						
Non Bargaining Unit	\$ 261,863	\$ -	\$ 261,863	\$ 265,000	\$ -	\$ 265,000
Classified Non Instr FICA-SocScty	\$ 16,235	\$ -	\$ 16,235	\$ 16,000	\$ -	\$ 16,000
Classified Non-Instr FICA-Medi	\$ 3,797	\$ -	\$ 3,797	\$ 3,800	\$ -	\$ 3,800
Classified Non Instr Health & Wlfr	\$ 1,200	\$ -	\$ 1,200	\$ 1,200	\$ -	\$ 1,200
Classified Non-Instr SUI	\$ 2,334	\$ -	\$ 2,334	\$ 1,700	\$ -	\$ 1,700
Classified ETT-Foundation	\$ 28	\$ -	\$ 28	\$ 50	\$ -	\$ 50
Classified Non Instr Workers Comp	\$ 2,050	\$ -	\$ 2,050	\$ 2,100	\$ -	\$ 2,100
Public Relations/Recognitions	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ 500
Office/Operational Supplies	\$ 6,000	\$ 15,000	\$ 21,000	\$ 7,000	\$ 12,500	\$ 19,500
Non Instr Printing	\$ 8,000	\$ 9,500	\$ 17,500	\$ 8,000	\$ 5,500	\$ 13,500
Contest Prizes	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Food - Business Meetings/Events	\$ 5,000	\$ 25,000	\$ 30,000	\$ 6,000	\$ 25,000	\$ 31,000
Indep Contractor (Individuals)	\$ 1,000	\$ 2,500	\$ 3,500	\$ 2,500	\$ 2,500	\$ 5,000
Service Contracts (Businesses)	\$ 3,500	\$ 5,000	\$ 8,500	\$ 3,500	\$ 5,000	\$ 8,500
Travel - All Travel Costs	\$ 2,000	\$ 4,500	\$ 6,500	\$ 6,500	\$ 4,000	\$ 10,500
On-Site Professional Dev/Webinars	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Foundation Community Activities	\$ 2,500	\$ 25,000	\$ 27,500	\$ 15,500	\$ 20,500	\$ 36,000
Dues & Memberships	\$ 2,000	\$ 1,350	\$ 3,350	\$ 2,500	\$ 2,000	\$ 4,500
Non-Tech Licenses,Permits,Fees	\$ 2,300	\$ 2,500	\$ 4,800	\$ 1,500	\$ 2,500	\$ 4,000
Facility Rental	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ 1,500
Software Mtce Agreement	\$ 20,000	\$ -	\$ 20,000	\$ 15,000	\$ 20,000	\$ 35,000
Equipment Rental	\$ 850	\$ 1,500	\$ 2,350	\$ 1,000	\$ 3,000	\$ 4,000
District/College Support	\$ -	\$ 650,000	\$ 650,000	\$ -	\$ 650,000	\$ 650,000
Postage/Express Services	\$ 4,250	\$ 1,500	\$ 5,750	\$ 3,500	\$ 1,500	\$ 5,000
Advertising	\$ 1,894	\$ 1,000	\$ 2,894	\$ 2,000	\$ 1,000	\$ 3,000
Bank Service Charges	\$ 4,000	\$ 2,500	\$ 6,500	\$ 4,000	\$ 1,500	\$ 5,500
Investment Brokerage Fees	\$ 6,000	\$ 165,000	\$ 171,000	\$ 5,000	\$ 170,000	\$ 175,000
PCPA/PCPA Fdtn. Support	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ 76,000	\$ 76,000
Equipment	\$ 1,500	\$ 5,000	\$ 6,500	\$ 1,500	\$ 5,000	\$ 6,500
Student Assistance	\$ -	\$ 12,500	\$ 12,500	\$ -	\$ 20,000	\$ 20,000
Scholarship	\$ -	\$ 625,000	\$ 625,000	\$ -	\$ 625,000	\$ 625,000
Intrafund Transfers-Out	\$ 22,500	\$ 747,679	\$ 770,179	\$ 12,000	\$ 750,000	\$ 762,000
<b>REVENUES</b>						
Contributions,Gifts,Grants & End.	\$ 40,000	\$ 1,083,529	\$ 1,123,529	\$ 42,500	\$ 1,134,000	\$ 1,176,500
Interest and Investment Income	\$ 27,250	\$ 615,000	\$ 642,250	\$ 21,000	\$ 615,000	\$ 636,000
Realized/Unrealized Gain on Inv.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Revenues	\$ 425	\$ 6,000	\$ 6,425	\$ 140	\$ 6,000	\$ 6,140
Intrafund Transfer-In	\$ 121,271	\$ 650,000	\$ 771,271	\$ 136,000	\$ 650,000	\$ 786,000
Other Transfer-In	\$ 71,355	\$ -	\$ 71,355	\$ 78,360	\$ -	\$ 78,360
Other Transfer-In	\$ 123,000	\$ -	\$ 123,000	\$ 123,000	\$ -	\$ 123,000
Revenue Total	\$ 383,301	\$ 2,354,529	\$ 2,737,830	\$ 401,000	\$ 2,405,000	\$ 2,806,000
Expenditure Total	\$ 383,301	\$ 2,354,529	\$ 2,737,830	\$ 389,350	\$ 2,405,000	\$ 2,794,350
Report Total	\$ -	\$ -	\$ -	\$ 11,650	\$ -	\$ 11,650

**General Operations**  
**Approved FY21 Transfers-In**

Administration Fee @ 1.5%	\$ 82,500
President's Circle Fee @ 15%	\$ 15,000
Unrestricted Endowment Proceeds	\$ 5,000
Hancock Promise Gift Fee @ 1.5%	\$ 7,500
Hansen Unrestricted End.	\$ 11,271
Other Transfer-In (District support)	\$ 71,355
Other Transfer-In (District support)	\$ 123,000
	<u>\$ 315,626</u>

**General Operations**  
**Proposed FY22 Transfers-In**

Administration Fee @ 1.5%	\$ 95,000
President's Circle Fee @ 15%	\$ 7,500
Unrestricted Endowment Proceeds	\$ 5,000
Hancock Promise Gift Fee @ 1.5%	\$ 7,500
Hansen Unrestricted End.	\$ 21,000
Other Transfer-In (District support)	\$ 78,360
Other Transfer-In (District support)	\$ 123,000
	<u>\$ 337,360</u>

<b>To: Executive Committee</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Independent Auditor's Report for period ending June 30, 2020</b>	

**BACKGROUND**

The practice of the foundation is an annual independent audit performed as 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 fiscal year ending June 30, 2020, was performed by representatives from CWDL, Certified Public Accountants. The audit and a copy of the management letter prepared by Ms. Laura Becker, AHC Director - Business Services, are attached for the committee's review and approval.

**RECOMMENDATION**

Staff recommends approval of the audit for fiscal year 2019-2020 performed by CWDL, Certified Public Accountants as submitted to the Finance Committee, and will be forwarded to the Executive Committee and the full board for approval.

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

June 30, 2020 and 2019





## INDEPENDENT AUDITORS' 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, 2020 and 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 audits. We conducted our audits 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 entity'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 entity'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.

---

---

# FINANCIAL STATEMENTS

---

---

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019**

---

	<u>2019</u>
<b>ASSETS</b>	
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	<u>2,580</u>
<b>Total current assets</b>	<u>2,034,723</u>
Noncurrent assets:	
Investments	25,319,487
Beneficial interest in assets held by the Foundation for California Community Colleges	151,924
Uncondiditonal promises to give - net of amortized discount	<u>405,486</u>
<b>Total noncurrent assets</b>	<u>25,876,897</u>
<b>Total assets</b>	<u>\$ 27,911,620</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 5,322
Accounts payable - related party	<u>572,181</u>
<b>Total current liabilities</b>	<u>577,503</u>
<b>NET ASSETS</b>	
Net assets without donor restrictions	1,095,964
Net assets with donor restrictions	<u>26,238,153</u>
<b>Total net assets</b>	<u>27,334,117</u>
<b>Total liabilities and net assets</b>	<u>\$ 27,911,620</u>

See accompanying notes to the financial statements

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
JUNE 30, 2019**

Year Ended June 30, 2019	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
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 restriction	1,160,179	(1,160,179)	-
<b>Total Support and Revenue</b>	<b>1,297,191</b>	<b>240,889</b>	<b>1,538,080</b>
<b>EXPENSES</b>			
Program	1,276,119	-	1,276,119
Management and general	239,331	-	239,331
<b>Total Expenses</b>	<b>1,515,450</b>	<b>-</b>	<b>1,515,450</b>
<b>Other Income</b>			
Net realized gain (loss) 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	74,845	1,072,021	1,146,866
Changes in value of beneficial interest in assets held by the Foundation for California Community Colleges	-	37,327	37,327
Total Other Income	74,845	1,109,348	1,184,193
<b>Change in Net Assets</b>	<b>(143,414)</b>	<b>1,350,237</b>	<b>1,206,823</b>
<b>Net Assets - Beginning of Year</b>	<b>1,239,378</b>	<b>24,887,916</b>	<b>26,127,294</b>
<b>Net Assets - End of Year</b>	<b>\$ 1,095,964</b>	<b>\$ 26,238,153</b>	<b>\$ 27,334,117</b>

See accompanying notes to the financial statements



**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

Year Ended June 30, 2019	Program	General and Administrative	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 conferences	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
<b>Total</b>	<b>\$ 1,276,119</b>	<b>\$ 239,331</b>	<b>\$ 1,515,450</b>

See accompanying notes to the financial statements

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1 – 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.

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  
(A NONPROFIT ORGANIZATION)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2020 was \$8,370.

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Change in Accounting Principle**

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.

The Foundation has implemented the provisions of this ASU as of June 30, 2020, 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.

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – UNCONDITIONAL PROMISES TO GIVE**

As of June 30, 2020 and 2019, the Foundation's unconditional promises to give are estimated to be collected as follows:

For the Year Ended June 30,	2020	2019
Due within one year	228,167	\$ 230,533
Due within one to five years	593,725	424,567
	821,892	655,100
Less discount (3% for 2020 and 2019 respectively) to net present value	(23,939)	(19,653)
Total	\$ 797,953	\$ 635,447

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, 2020, to be \$0. The discount rate used was three percent for 2020 and 2019, respectively. At June 30, 2020, one donor accounted for 73% 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, 2020 and 2019:

Year Ended June 30, 2020	Adjusted Cost	Fair Market Value	Unrealized Loss
Investments	\$ 27,221,691	\$ 26,757,459	\$ (464,232)
Beneficial Interest in assets held by the Foundation for California Community Colleges	145,588	145,588	-
Total	\$ 27,367,279	\$ 26,903,047	\$ (464,232)

Year Ended 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	\$ 25,515,210	\$ 25,471,411	\$ (43,799)

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6 – MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES (Continued)**

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.

Year Ended June 30, 2020	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
<b>Assets</b>					
Common Stock	\$ 14,273,070	\$ -	\$ -	\$ -	\$ 14,273,070
Corporate Bonds and notes	4,142,293	-	-	-	4,142,293
U.S. Government securities	613,703	-	-	-	613,703
Exchange traded funds	433,026	-	-	-	433,026
Commodities	-	-	-	902,646	902,646
Real Estate	-	-	-	503,070	503,070
Mutual Funds	5,889,651	-	-	-	5,889,651
Beneficial Interest in assets assets held by the Foundation for California Community Colleges	-	-	145,588	-	145,588
<b>Total investment securities</b>	<b>\$ 25,351,742</b>	<b>\$ -</b>	<b>\$ 145,588</b>	<b>\$ 1,405,717</b>	<b>\$ 26,903,047</b>

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9 – RESTRICTIONS ON NET ASSETS**

Donor-restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2020 and 2019:

For the Year Ended June 30,	2020	2019
Various donor restricted funds related to educational programs	\$ 16,298,770	\$ 13,733,032
Scholarships	1,140,181	2,280,906
Endowments - accumulated and unspent earnings	3,701,424	3,608,875
Total	\$ 21,140,375	\$ 19,622,813

Donor-restricted net assets with perpetual restrictions consist of the following at June 30, 2020 and 2019:

For the Year Ended June 30,	2020	2019
Osher endowment	\$ 145,588	\$ 151,924
Endowments related to scholarships	7,270,030	6,463,416
Total	\$ 7,415,618	\$ 6,615,340

**NOTE 10 - ENDOWMENTS**

The Foundation's endowment consists of 108 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.

**ALLAN HANCOCK COLLEGE FOUNDATION  
(A NONPROFIT ORGANIZATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 10 – ENDOWMENTS** (Continued)

**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, 2020.

**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.

**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.





January 25, 2021

CWDL Certified Public Accountants  
5151 Murphy Canyon Road Suite 135  
San Diego, California 92123

This representation letter is provided in connection with your audit of the financial statements of Allan Hancock Foundation which comprise the statements of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 25, 2021, the following representations made to you during your audit.

#### **Financial Statements**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

- 1) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 5) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 7) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

- 11) As part of your audit, you assisted with the preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.

**Information Provided**

- 12) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
- e) Management,
  - f) Employees who have significant roles in internal control, or
  - g) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- 20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) The Allan Hancock Foundation is an exempt organization under Sections 509(a)(1), 501(a), and 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 26) We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal Awards and the related notes to the supplementary information in accordance with U.S. GAAP, and we believe the Schedule of Expenditures of Federal Awards and the related notes to the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Schedule of Federal Awards and the related notes to the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 27) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

Signature: 

Title: Director, Business Services

<b>To: Executive Committee</b>	<b>INFORMATION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Paycheck Protection Program Loan Forgiveness</b>	

**BACKGROUND**

In April 2020, the Foundation was eligible and approved to receive a Payroll Protection Program loan issued by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The \$61,750 loan was obtained through Mechanics Bank and forgivable provided the loan was used for costs including employee compensation, employer contributions for health insurance, employer contributions for employee retirement plans, and employer state and local taxes assessed on employee compensation. In March 2021, a PPP Loan Forgiveness application was submitted and has been approved. Attached is a copy of Mechanics Bank approval letter forgiving the Foundation's PPP loan in the amount of \$61,750 for principal and \$537.98 for accrued interest.

March 11, 2021

Allan Hancock College Foundation  
800 S COLLEGE DR  
SANTA MARIA, CA 93456

Regarding: Approval of Application for Forgiveness of your Paycheck Protection Program Loan

Loan Number: 700000099352

Original Principal Balance of Loan: \$61,750.00

Requested Forgiveness Amount: \$61,750.00

Approved Forgiveness Amount: \$61,750.00 for principal, plus \$537.98 for accrued interest

Dear **Borrower**:

You obtained the loan described above ("Loan") from Mechanics Bank ("Lender") made under the Paycheck Protection Program ("PPP") administered by the Small Business Administration ("SBA").

In connection with the Loan, the Lender received an application for forgiveness ("Forgiveness Application") as well as the required supporting documentation for the Forgiveness Application, requesting that the Requested Forgiveness Amount (indicated above) of the Loan be forgiven.

This letter is to inform you that your Forgiveness Application was reviewed by the Lender and the SBA, and your request for forgiveness of the Requested Forgiveness Amount has been **approved in full** and disbursed to us by the SBA on 3/8/2021. Congratulations! The SBA has also remitted the forgiven amount (which includes principal plus accrued interest on the forgiven principal) to the Lender which has been applied to your Loan. See the "Approved Forgiveness Amount" above for the amount of principal and accrued interest forgiven by the SBA.

Since your Loan, including principal and accrued interest, has been forgiven in full there is no balance owed on the Loan. Thus, the Lender will be closing your Loan and there is nothing more for you to do at this time.

Please note that while the SBA has notified the Lender that your Forgiveness Application for the specified amount has been approved in full, the SBA reserves the right to at any time re-review your PPP Loan, including your eligibility for the PPP Loan, the amount of the Loan and the claimed loan forgiveness amount, and the SBA may take certain actions the SBA deems appropriate.

(continued)

**NOTE:** You may be able to appeal certain decisions made by the SBA regarding your Loan if such an appeal is permitted under the SBA's interim final rule entitled "*Appeals of SBA Loan Review Decisions Under the Paycheck Protection Program*" (as may be amended, modified, or supplemented) which may available at the SBA's website at [www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program](http://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program) (the "SBA Appeal Rules"). The SBA Appeal Rules provide that appeals may be made of the SBA's decisions regarding eligibility for a PPP loan and eligibility for the amount of the loan, the use of the proceeds of a PPP loan, and certain decisions regarding forgiveness of a PPP loan. If you would like to appeal any of the SBA's decisions regarding your Loan, you should review the SBA Appeal Rules carefully and if the decision is appealable under those rules then, in accordance with those rules, you should submit the appeal directly to the SBA within 30 calendar days after you are notified of the SBA's decision (which for appeals of decisions regarding forgiveness of your Loan, if applicable, is when this letter is provided to you).

Should you have any questions about the above, or about any other matters related to your Loan, please do not hesitate to contact us at 800.797.6324.

Sincerely,

Mechanics Bank

<b>To: Executive Committee</b>	<b>INFORMATION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Discussion of Investment Annual Review</b>	

**BACKGROUND**

At the Finance Committee meeting held on Wednesday, March 31, 2021, the committee reviewed 2020 annual reports presented by investment advisors from Santa Barbara Foundation, Northern Trust, Morgan Stanley, Monarch Wealth Management and Mechanics Wealth Management annual reports of 2020 investments. An advisor recommended providing an analysis of all Foundation's investments to compare allocations, risks and brokerage fees for the committee's review.

The committee will discuss the review and may make recommendations based on the advisor's annual reports.

<b>To: Executive Committee</b>	<b>INFORMATION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 7, 2021</b>
<b>Subject: Discussion of Moving Scholarship Funding from Investments to Active Assets</b>	

**BACKGROUND**

The board has approved the endowed scholarship and program funding for 2021. The proceeds have been book transferred to scholarship and program funds. The scholarships will be awarded to students in August provided requirements are met. The committee will discuss moving the funding from investments held at Morgan Stanley and Monarch Wealth Strategies to Morgan Stanley Active Assets account.



Notice of Quarterly Meeting  
Allan Hancock College Foundation Board of Directors  
Meeting to be held remotely  
April 22, 2021, 4 p.m.

In response to the coronavirus pandemic, the Governor has issued [Executive Order N-25-20](#), [Executive Order N-29-20](#), and [Executive Order N-35-20](#) modifying the Brown Act in order to facilitate essential public meetings being held through remote methods, such as telephonically or electronically. Directors and staff will attend via video conference.

The meeting will be conducted via Zoom: Meeting ID <https://hancockcollege.zoom.us/j/97382808771>

*Please note the meeting may be recorded for future viewing.*

**AGENDA**

	<b>Page</b>	<b>Time</b>
1. Call to order		4:00 p.m.
2. Roll Call		
3. Public Comment <i>Public comment not pertaining to specific agenda items is welcome at this time. If you wish to speak to any item listed, please complete a Request to Speak Card available from the Executive Director. It is suggested that speakers limit themselves to 5 minutes.</i>		
4. Approval of Agenda for April 22, 2021 (ACTION)		4:03 p.m.
5. Approval of Minutes – January 28, 2021 Quarterly Board Meeting (ACTION)		4:04 p.m.
6. Welcome and Remarks from Board President – Lee-Volker Cox (Information)		4:05 p.m.
7. Consent Agenda (ACTION) <i>Consent agenda items are consistent with adopted policies and approved practices of the Foundation and are deemed routine in nature. They will be acted upon by a vote in one motion without discussion unless members of the board request an item's removal from the consent agenda.</i>		
7.A. New Student Representative – Lennette Espinoza		
7.B. Board Member Resignation – Frank Campo		
7.C. 2021-22 Calendar of Meetings and Events		
8. Presentation – Centennial Finale (Information)		4:15 p.m.
9. Finance Committee		4:45 p.m.
9.A. Approval of Financial Statements through 2/28/2021 (ACTION)		
9.B. Approval of Proposed 2021-2022 Operating Budget (ACTION)		
9.C. Approval of Proposed 2021-2022 Foundation Budget – All Funds (ACTION)		
9.D. Independent 2019-2020 Auditor’s Report (ACTION)		
9.E. Paycheck Protection Program Loan Forgiveness (Information)		
9.F. Investment Advisor Review (Information)		
9.G. Moving of Scholarship Funding to Active Assets (Information)		

- |  |           |
|--|-----------|
| 10. Advancement Committee  | 5:05 p.m. |
| 10.A. Foundation Giving Report (Information)                       |           |
| 10.B. President's Circle Subcommittee Report (Information)         |           |
| 10.C. Scholarship Subcommittee Report (Information)                |           |
| 11. Oral Reports (Information)                                     | 5:25 p.m. |
| 11.A. Members of the Board of Directors – General Announcements    |           |
| 11.B. College Superintendent/President – Kevin Walthers            |           |
| 11.C. College Trustee – Jeffrey Hall                               |           |
| 11.D. PCPA Foundation Representative – Jim Bray                    |           |
| 11.E. Faculty Representative – Nichole Dechaine                    |           |
| 11.F. Student Representative – Lennette Espinoza                   |           |
| 11.G. Executive Director, College Advancement – Jon Hooten         |           |
| 12. Consideration of New Business (Information)                    | 5:50 p.m. |
| 13. Next Meeting – Thursday, July 22, 2021, 4-6 p.m. (Information) |           |
| 14. Adjourn (ACTION)   | 6:00 p.m. |

*In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Allan Hancock College Foundation office at (805) 925-2004. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.*



---

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