



Finance Committee Meeting

Wednesday, July 10, 2019 ❖ 1:00 – 3:00 PM

Allan Hancock College – Building B, Captain's room
800 South College Drive, Santa Maria, CA 93454

AGENDA

	Page	Tentative Time
1. Call to Order		1:00
2. Roll Call		
3. Public Comment		
<i>This section of the agenda is intended for members of the public to address the Finance 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 5 minutes.</i>		
4. Approval of Agenda for July 10, 2019 (ACTION)		1:03
5. Approval of Minutes (ACTION)		
5.A. Minutes of January 16, 2019	1 - 4	1:08
5.B. Minutes of April 10, 2019	5 - 8	1:10
6. Review and Approval of Financial Statements (ACTION)	9	1:30
6.A. Check Registers – 3/1/2019 – 4/30/2019	10 - 16	
6.B. Contributions Report – 7/1/2018 – 4/30/2019	17	
6.C. Statement of Operations – 4/30/2019	18	
6.D. Statement of Financial Position – 4/30/2019	19	
6.F. General Operations Budget – 4/30/2019	20	
6.G. Financial Overview – 4/30/2019	21	
6.H. Financial Overview Investments – 4/30/2019	22	
7. Review and Approval Investment Policy (ACTION)	23 – 32	2:45
8. Other Business		3:00
9. Next Meeting – October 9, 2019, 1:00 – 3:00 PM, Building B, Captain's Room		
10. Adjournment of Finance Committee Meeting (ACTION)		



Finance Committee Meeting

Wednesday, July 10, 2019 ❖ 1:00 – 3:00 PM

Allan Hancock College – Building B, Captain's room
800 South College Drive, Santa Maria, CA 93454

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 cursive script that reads 'Jon Hooten'.

Jon Hooten, Executive Director *m*
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

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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 16, 2019**

A regular meeting of the Finance Committee was held on Wednesday, January 16, 2019, at 1:00 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 1:01 PM by Committee Chair Glenn Owen.

Roll Call

Finance Committee members present: L.-V. Cox, J. Frost, P. Hesse, G. Owen

Finance Committee members absent: E. Smith

College Staff present: J. Hooten, K. Seyfert

Foundation Staff present: 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. There was one agenda edit changing the date of the Minutes from June 26, 2018 to June 27, 2018.

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

Approval of Minutes

Minutes of September 18, 2018

Chair Owen asked the committee to review the minutes of September 18, 2018, and called for a motion to approve.

Motion: On a motion by Chair Owen, seconded by Director Cox, the minutes of September 18, 2018 were approved.

Review and Approval of Financial Statements

Chair Owen presented the following financial statements to the committee:

Check Registers – 7/1/2018, 8/31/2018, 9/30/2018, 10/31/2018, 11/30/2018

Contributions Report – For the period of 7/31/2018 through 11/30/2018, the total contributions were \$435,867.

Statement of Operations – Banner Finance: For the period ending 11/30/2018, the fund balance for the period was \$25,235,124.

Statement of Financial Position – Banner Finance: For the period ending 11/30/2018, the total liabilities and fund balance were \$25,476,450. The committee noted the \$238,942 scholarship liability is Banner processed scholarships and the district will provide an invoice.

Summary of Portfolio: The report not available.

Foundation General Operations – Banner Finance: The budget dated 11/30/2018, the revenue for the fiscal year as \$174,841; the expenses as \$153,321; the ending fund balance as \$21,520. Noted was the Revenue Account 898200 – Intrafund Transfer-In is made up of the 1.5% Management Fee, 15% President’s Circle Campaign, Marian Hancock Trust and F. Young Endowment Proceeds.

Financial Overview: The Financial Overview budget dated 11/30/2018, reported total contributions and support as \$435,868; total expenditures as \$900,346; and net assets balance as \$25,235,124.

Financial Overview – Cash & Investments: The statement of financial position as of 11/30/2018 has a cash balance of \$829,304, investment balance of \$23,724,052, totaling \$24,553,356.

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

Current Year Budget Revision (ACTION)

The committee reviewed the Foundation's current year operating budget. Mr. Hooten mentioned the operating budget will be able to transfer approximately \$210,000 from the unrestricted quasi Hansen Memorial Endowment to offset the budget. The committee reviewed the recent revisions to the current Foundation General Operations budget which did not change the budgeted amount. No further action was taken.

Foundation Cash Flow

At the request of Mr. Eric Smith, Vice President, Finance and Administration, Ms. Seyfert prepared a projected cash flow analysis report for the committee's review and discussion. The November 2018 beginning cash balance was \$260,971; projected revenue for January is \$68,440, and projected expenses is \$83,522. The month of March shows the Hancock Promise scholarship expense as \$160,000 causing a cash balance of (\$13,507). The committee discussed cash resources including the \$210,000 and an anticipated bequest gift that will fund early Spring.

Further, Ms. Seyfert reported the Auxiliary Programs Corporation (APC) and Follett Higher Education, the campus bookstore, entered into a service agreement effective July 2018, where commissions are sent directly to the APC. The purpose of the agreement is to provide a means of support to students in the AHC Foundation Hancock Promise Scholarship Program. The agreement states the APC will receive the following over next three fiscal years:

July 1, 2018 – June 30, 2019	\$250,000
July 1, 2019 – June 30, 2019	\$225,000
July 1, 2020 – June 30, 2019	\$200,000

In order to ensure that the receipt of these funds is in compliance with state law, the APC's Board of Directors and AHC Superintendent/President need to approve the use of funding received from the Follett service agreement commissions for the AHC Foundation Hancock Promise Scholarship Program. To date, the Foundation has received \$89,900 on December 13, 2018. . The check was received as a donation designated for the Hancock Promise Working Fund.

Review of Proposed 2019-20 Operating Budget

The staff develops a proposed operating budget each year for the Finance Committee's review and approval. A proposed operating budget for the upcoming 2019-20 fiscal year has been developed. The agenda was tabled until the April meeting.

Hancock Promise Gift Fee (ACTION)

The Foundation's operating budget receives a 1.5% Administration Fee from the majority of endowment's proceeds except for the Hancock Promise endowment held at Santa Barbara Foundation. The committee reviewed the *Community College Foundation Gift Fees Comparison* chart. The committee discussed beginning Hancock Promise gift fees and recommended a one-time 1.5% gift fee be assessed to gifts designated for the Hancock Promise. The committee suggested all Hancock Promise brochures be updated.

MOTION: On a motion by Director Cox, seconded by Director Hesse, the Finance Committee approved implementing a one-time 1.5% gift fee for gifts designated for the Hancock Promise in support of the Operations Budget.

Hancock Promise Endowment Fund – Santa Barbara Foundation Investment (INFORMATION)

The Santa Barbara Foundation holds the Foundation's Hancock Promise Endowment. The Hancock Promise Endowment campaign has a \$10 million goal to reach by 2021. The committee reviewed Santa Barbara Foundation's investment pool description. The investment is presently a Focus Growth Blend—a pool designed for accounts with long-term grant making horizon of 10 years or greater.

Providing Investment Advisors Discretionary Authorization (ACTION)

At the Finance Committee meeting held on Wednesday, January 9, 2019, the Foundation's investment advisors presented an update and review of managed investments. Some of the advisors requested discretionary authorization when recommending changes to the investment portfolio within the Foundation's Investment Policy. The committee recommended staff contact the investment advisors giving each authorization to make discretionary investment decisions within the investment policy.

Motion: On a motion by Director Hesse, seconded by Director Cox, the Finance Committee recommended staff provide the Foundation's investment advisors authorization to make discretionary investment decisions within the Foundation's Investment Policy.

Endowment Scholarship & Program Funding 2018-2019

According to the Foundation's Endowment Funding Policy, the review date of November 30 is used each fiscal year to determine the value for funding scholarships and programs. The policy states endowment funding can be 3%, 4% or 5%, provided the endowment value does not fall below corpus value. Staff handed out spreadsheets for the committee's review. The spreadsheet calculated the proposed endowment funding for 2018-2019.

Based on the volatile market conditions, the committee recommended funding at 3% based on the review date of November 30, 2018. For those endowments that did not fund the minimum scholarship requirement, funding between \$250 and \$500 was recommended. Staff will report back to the committee the total funding amount.

Motion: On a motion by Director Cox, seconded by Director Hesse, the Finance Committee approved the 2018-2019 endowment funding at 3% based on the review date of November 30, 2018, with the exception of those endowments that do not fund the minimum scholarship requirement, will fund between \$250 and \$500.

Independent Auditor's Report for period ending June 30, 2018

The accounting firm Vavrinek, Trine, Day & Co., LLP, has provided the Foundation with a final audit for fiscal year 2017-2018. The an annual independent audit is 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 California Department of Finance.

Included in the agenda packet is the 2017-2018 Independent Auditor's Report and the communication letter. The audit firm Vavrinek, Trine, Day & Co. communication letter reported a clean audit without any findings.

Motion: On a motion by Director Hesse, seconded by Director Cox, the Finance Committee approved the audit for the Allan Hancock College Foundation for the period June 30, 2018

Auditor's 2017-2018 IRS Form 990 Report

The accounting firm Vavrinek, Trine, Day & Co., LLP, has provided the foundation with Internal Revenue Service's Form 990. The committee recommended approval of the document as submitted.

MOTION: On a motion by Director Hesse, seconded by Director Cox, the Finance Committee approved the Allan Hancock College Foundation Form 990.

AHC Foundation Employee Handbook

Mr. Hooten reported that the Foundation recently hired Your People Professionals, Inc., a local human resource business, to review and update the existing AHCF Employee Handbook to ensure compliance with applicable laws. A draft of the handbook will be presented at the next Finance committee meeting.

Foundation 2019 Resolution Signature Authorization

Each year the Foundation's Board of Directors approves a resolution authorizing signers of savings, checking, and investment necessary to conduct day-to-day business. The Foundation's resolution is intended to be compliant with the District's *Authorized Signature Forms for the 2019 Calendar Year*. Approved district signers are Dr. Kevin G. Walthers, Mr. Eric D. Smith, Ms. Jessica Blazer and Dr. Bob Curry.

Next Finance Committee Meeting

The next scheduled meeting of the Finance Committee is Wednesday, April 10, 2019, at 1:00 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 3:55 PM.

MOTION: On a motion by Director Hesse, seconded by Director Frost, the meeting was adjourned at 3:55 PM.

**ALLAN HANCOCK COLLEGE FOUNDATION
FINANCE COMMITTEE MEETING
Minutes of April 10, 2019**

A regular meeting of the Finance Committee was held on Wednesday, January 16, 2019, at 1:00 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 1:00 PM by Committee Chair Glenn Owen.

Roll Call

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

Finance Committee members absent: L. V. Cox, P. Hesse

College Staff present: J. Hooten

College Staff absent: K. Seyfert

Foundation Staff present: 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.

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

Approval of Minutes

Minutes of January 9, 2019

Chair Owen asked the committee to review the minutes of January 9, 2019, and called for a motion to approve.

Motion: On a motion by Director Smith, seconded by Director Frost, the minutes of January 9, 2019 were approved.

Minutes of January 16, 2019

The minutes were deferred until a quorum of committee members attending the January 16, 2019 are present to approve.

Review and Approval of Financial Statements

Chair Owen presented the following financial statements to the committee:

Check Registers – 12/31/2018, 1/31/2019, 2/28/2019

Contributions Report – For the period of 7/31/2018 through 2/28/2019, the total contributions were \$1,015,898.

Statement of Operations – Banner Finance: For the period ending 2/28/2019, the fund balance for the period was \$26,195,143.

Statement of Financial Position – Banner Finance: For the period ending 2/28/2019, the total liabilities and fund balance were \$26,225,192. Staff noted the \$30,043 scholarship liability is Banner processed scholarships and the district will provide an invoice.

Summary of Portfolio: The committee reviewed the investment allocation summary for each of the accounts.

Foundation General Operations – Banner Finance: The budget dated 02/28/2019, the revenue for the fiscal year as \$268,108; the expenses as \$241,500; the ending fund balance as \$26,608. Noted was the Revenue Account 898200 – *Intrafund Transfer-In* with a year to date total of \$148,859 which is made up of the Administration Fee from endowments @ 1.5%, amount \$57,527; President’s Circle Campaign @ 15%, amount \$4,122; Young Endowment Proceeds, amount \$87,190; and Hancock Promise @ 1.5%, amount \$21.

Financial Overview: The Financial Overview budget dated 2/28/2019, reported total contributions and support as \$1,587,018; total expenditures as \$2,268,858; and total liabilities and net assets balance as \$26,225,192.

Financial Overview – Cash & Investments: The statement of financial position as of 2/28/2019 has a cash balance of \$886,982, investment balance of \$24,451,317, totaling \$25,338,299.

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

Approval of Foundation’s 2019-20 Operating Budget (ACTION)

Each year the Finance Committee reviews and approves a proposed operating budget for the upcoming fiscal year. Staff develops the proposed budget using projections for both revenue and expense. The proposed budgeted expenses is \$386,420; and the proposed revenue is \$386,420.

EXPENDITURES

The proposed \$270,421 for Staff Salaries/Employee Benefits & Payroll Taxes provides a 1% COLA, step increases for two positions, and longevity for two positions. Decrease to non-salary expense items include the Independent Contractor – Individuals, Foundation Community Activities, and Telephone expenses.

REVENUE

Unrestricted Contributions – Decreased from \$75,000 to \$39,750.

District/Grant Contribution – In Fall 2014, Allan Hancock College was awarded a 5-year Hispanic Serving Institutions Title V grant from the U.S. Department of Education. The grant provided for the Foundation’s Advancement Specialist position. Ms. Natalie Rucobo was hired as Advancement Specialist in July 2016. The grant’s 5-year term ends on September 30, 2019. The district will reimburse the Foundation for her salary and benefits. The amount budgeted covers Ms. Rucobo’s salary and benefits.

Interest and Investment Income – The \$25,000 budgeted is for interest/dividends earned on the unrestricted investment held at Morgan Stanley Select UMA – Consulting Group Advisor.

Intrafund Transfer-in – The budgeted \$255,634 amount includes:

Administration Fee @ 1.5%	\$81,634
President’s Circle Fee @ 15%	\$15,000
F. Young Unrestricted End.	\$50,000
Unrestricted End. Proceeds	\$ 3,000
Hancock Promise 1.5%	\$ 7,500
Hansen Unrestricted End.	\$98,500

After reviewing the proposed 2019-20 operating budget’s expenses/revenue, the committee approved.

The committee recommended staff prepare a 5-year sustainability plan for the operating budget that includes how long the Young and Hansen quasi endowments can support Foundation operations. Further, the committee recommended once the set plan has been prepared and approved, it be presented to the Executive Committee.

MOTION: On a motion by Director Smith, seconded by Director Frost, the Finance Committee approved the foundation's 2019-2020 operating budget. The recommendation will be forwarded to the Executive Committee, and the full board for approval at the Board of Director's quarterly meeting on April 25, 2019.

Approval of Proposed 2019-20 Foundation Tentative Budget for District (ACTION)

Each year the foundation submits a foundation budget to the district that encompasses all of the foundation funds—unrestricted, restricted, scholarship and endowments. Once the foundation's Board of Director's approves the budget, it is forwarded to the district for approval by the Board of Trustees. The proposed budgeted expense and revenue is \$2,877,170.

The committee reviewed the following budget item descriptions:

Expenses

Brokerage Fees: The \$13,000 budget is for brokerage fees assessed to the Title III endowments. To date, the Foundation has not been released from the Title III grant.

Community Activities: The expense budget's purpose is for attending community activities such as fundraising events.

District/College Support: The foundation holds grants supporting district programs. The district pays the grant expenses throughout the year. At year-end, the district provides invoices to the foundation and will be expensed as district/college support.

Food – Business Meetings/Events: An increase of \$1,000 to the budget to accommodate extra reception planned.

Intrafund Transfers-Out: No changes to the \$33,500 budget. Budget is for \$13,500 Title III endowment funding for scholarships and programs until the Title III guidelines are met and \$20,000 for the annual scholarship banquet.

Software Maintenance Agreement: AcademicWorks is the Foundation's scholarship management software -- the platform is for AHC students applying for scholarships, the award process and managing the scholarship program.

Staff salaries/Employee Benefits & Payroll Taxes: The budgeted amount of \$249,993 provides a 1% COLA for staff, step increases for two positions, and longevity for one position.

REVENUE

District/Grant Contribution – In Fall 2014, Allan Hancock College was awarded a 5-year Hispanic Serving Institutions --Title V grant from the U.S. Department of Education. The grant provided funding for the Foundation's Advancement Specialist position. The grant's 20-year term ends on September 30, 2019. The district has permanently institutionalized the position as a Foundation employee. The district will reimburse the Foundation for her salary and benefits.

Interest and Investment Income – Budgeted \$25,000 for interest/dividends earned on the unrestricted investment held at Morgan Stanley Select UMA - Consulting Group Advisor. The budgeted \$675,000 is a conservative budget based on fiscal year 2018-19 interest and investment income – as of February 28, 2019 the income is \$570,975.

MOTION: On a motion by Director Frost, seconded by Director Smith, the Finance Committee approved the 2019-2020 Foundation Budget for the District. The recommendation will be forwarded to the Executive Committee, and the full board for approval at the Board of Director's quarterly meeting on April 25, 2019.

Review and Approval Investment Policy (ACTION)

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

At the Finance Committee meeting held on January 9, 2019, the investment advisors provided a few recommended changes to the policy including:

- ◆ Consider the asset class allocation between US and international stocks. The recommendation was using an optimal asset allocation based up a capitalization global market close to 50% - 50%. (Northern Trust, Mr. Louis Piscane)
- ◆ Amending the Investment Policy to include junk bonds in the portfolio allocation. (Rabobank Wealth Management, Mr. Todd McGinley)

Before approving, the committee recommended staff contact Mr. Piscane and Mr. McGinley and request more information. Approving the policy was tabled until the requested information is reviewed.

Auxiliary Programs Corporation and Follett Higher Education Service Agreement (INFORMATION)

At the Finance Committee meeting held on January 16, 2019, Ms. Keli Seyfert, Supervisor, Auxiliary Accounting Services, reported the Auxiliary Programs Corporation (APC) and Follett Higher Education, the campus bookstore, entered into a service agreement where commissions are sent directly to the APC. The purpose of the agreement is to provide support to the Foundation's Hancock Promise Scholarship Program. The committee requested a copy of the APC Board approved agreement.

The committee reviewed the agreement which outlines the purpose—to provide a means of support to students in the Foundation's Hancock Promise Scholarship Program. Effective July 1, 2018, Follett Higher Education will direct commission checks directly to the APC. In order to ensure that the receipt of these funds is in compliance with state law, the APC's board of directors and superintendent/president approve the use of funding received from Follett commissions for the Foundation's Hancock Promise Scholarship Program. The projected revenue over three years is \$675,000.

Hancock Promise Update (INFORMATION)

The committee was updated on the recent approval of California Assembly Bill AB 19 that creates the California College Promise and provides funds to districts to advance the goals of the legislation. Specific use of funds mentioned in the new law will allow colleges to, if a district chooses to use the funds in this way, use the funds to cover the fees for first time, full-time students. During Fall 2018, the district received AB 19 grant funding in the amount of \$256,439. The grant was applied to the district Hancock Promise account for student registrations. The AB 19 funding is first-in funding applied to student registration fees. AHC Foundation is responsible for any remaining balance. The grant is recurring and the amount of funding will be reported to the district in May 2019 for school year 2019-20.

Next Finance Committee Meeting

The next scheduled meeting of the Finance Committee is Wednesday, July 10, 2019, at 1:00 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 2:55 PM.

MOTION: On a motion by Director Frost, seconded by Director Smith, the meeting was adjourned at 2:55 PM.

To: Finance Committee	ACTION
From: Glenn Owen, Chair Finance Committee	July 10, 2019
Subject: Review and Approval of Financial Statements	

BACKGROUND

A review of the Allan Hancock College Foundation financial statements.

- Check Registers 3/1/2019 – 4/30/2019
- Contributions Report 7/1/2018 – 4/30/2019
- Statement of Operations 4/30/2019
- Statement of Financial Position 4/30/2019
- General Operations Budget 4/30/2019
- Financial Overview 4/30/2019
- Financial Overview Investments 4/30/2019

RECOMMENDATION

The Finance Committee recommends approval of the financial statements as submitted. If approved, the financial statements will be forwarded to the Executive Committee and full board for review and approval at the annual organizational meeting scheduled on July 25, 2019.

Allan Hancock College
 Check Register
 Check Dates from 3/1/2019 to 3/31/2019
 Bank Code: FN

Vendor Name	Description	Amount	Check
AHC District	Banner Scholarships Jan 2019	\$29,043.00	
		<u>\$29,043.00</u>	FN 83000402
Card Integrators	Bulldog Bound badges	\$459.00	
	Freight	\$15.00	
		<u>\$474.00</u>	FN 83000403
Cardmember Service	AirFaire United - S Houghton TX trip 020219	\$30.00	
	Constant Contact Monthly Fee	\$76.71	
	Fd Sppls Board Member Farewell RW	\$36.29	
	Sppls Gift Wrapping 012419	\$6.47	
	Fd Sppls Ambassadors lunch 012519	\$93.60	
	Fd Sppls Ambassadors lunch 012519	\$45.35	
		<u>\$288.42</u>	FN 83000404
Foodbank Of Santa Barbara County	Foodbank Bldg G Delivery 022619	\$21.00	
		<u>\$21.00</u>	FN 83000405
Kathleen Johnson	RMB Sppls Gratuity MGomez 021919	\$120.00	
		<u>\$120.00</u>	FN 83000406
Santa Maria Country Club	AHC Annual Planning Retreat Fd Sppls 022219	\$2,611.75	
	Planning Retreat Banquet room fee 022219	\$300.00	
	Planning Retreat 022219	\$6.01	
		<u>\$2,917.76</u>	FN 83000407
All American Screen Printing Inc	Sppls Administrator Jackets LMcn GE	\$151.20	
		<u>\$151.20</u>	FN 83000408
Tyson Aye	RMB Fd Sppls Bkbl Team Meal 030219	\$493.89	
		<u>\$493.89</u>	FN 83000409
Kathleen Johnson	RMB Sppls DA Mtg & Open House 022819	\$109.56	
		<u>\$109.56</u>	FN 83000410
PCPA	Tkts Dance Spectrum Event 0316219	\$240.00	
		<u>\$240.00</u>	FN 83000411
Greg Pensa	RMB Meal Per Diem Bellwether Awards TX 02/03-05/19	\$45.00	
		<u>\$45.00</u>	FN 83000412
Carlos Rueda De Leon	Fd Sppls Dance Spectrum Event 031719	\$906.50	
		<u>\$906.50</u>	FN 83000413
Santa Maria Breakfast Rotary Club	Monthly Dues & Fees KW Feb 2019	\$218.85	
		<u>\$218.85</u>	FN 83000414
AHC Campus Graphics	Print Design Email PC Event 031619	\$126.00	
	Print Mailer PC Event 031619	\$20.60	
	FY19 Foundation office	\$24.40	
	Print Fdtn Letterhead	\$48.80	
	Print Fdtn Letterhead Revised	\$4.26	
	Print Fdtn Lettehead Reprint	\$24.40	

**Allan Hancock College
Check Register
Check Dates from 3/1/2019 to 3/31/2019
Bank Code: FN**

Vendor Name	Description	Amount	Check
		\$248.46	FN 83000415
AHC Viticulture & Enology Foundation	Fd Sppls Presidents Office Marketing	\$484.70	
	Fd Sppls Wine Dance Spectrum Event 031619	\$326.59	
		\$811.29	FN 83000416
Frontier Communications	Fdtn Fax Line 021019	\$54.26	
		\$54.26	FN 83000417
	Fdtn Fax Line 031019	\$66.89	
		\$66.89	FN 83000418
Susan Houghton	RMB Trvl Exps Bellwether Awards TX 02/02-06/19	\$204.25	
		\$204.25	FN 83000419
Rebecca Jacobs	RMB Sppls Skills USA 2019 Uniforms	\$590.04	
		\$590.04	FN 83000420
Office Depot	Fdtn Office Sppls Beverages	\$106.36	
	Fdtn Office Sppls Chairmat & Postage	\$145.90	
		\$252.26	FN 83000421
Pride Sash	Sppls Student Athlete Sashes	\$605.34	
	Sppls Double trim	\$54.00	
	Shipping	\$16.00	
		\$675.34	FN 83000422
Producers Film Center Inc	Hancock Film Storage Fees March 2019	\$83.11	
		\$83.11	FN 83000423
Evan Rayder	Mlg & PerDiem Phi Theta Kappa Awards 032519	\$409.68	
		\$409.68	FN 83000424
Regional Testing Center	CNA Students Testing - Rupe Grant	\$4,400.00	
		\$4,400.00	FN 83000425
Santa Barbara Foundation	HP End Investment Jeff and Rose Hall 021919	\$1,182.00	
	HP End Investment M Moreton 021919	\$24.63	
	HP End Investment B Manning 021419	\$98.50	
	HP End Investment C Anders 021419	\$98.50	
	HP End Investment E J Murray 021419	\$113.28	
	HP End Investment E J Murray 021919	\$78.80	
	HP End Investment E J Murray 021919	\$78.80	
	HP End Investment L Miyahara 022019	\$49.25	
	HP End Inv Bartlett Family Fdtn-Transfer	\$1,000.00	
	HP End Inv Higgins Trapnell Family Fdtn 022519	\$1,500.00	
		\$4,223.76	FN 83000426
	HP End Investment G Owen 022619	\$98.50	
	HP End Investment M Moreton 030219	\$24.63	
	HP End Investment SY Valley Fdtn 031319	\$5,910.00	
	HP End Investment E Murray 031419	\$322.33	
	HP End Investment E Murray 031419	\$39.40	
	HP End Investment J D Bray 031419	\$197.00	
	HP End Inv SM Breakfast Rotary Club 031419	\$985.00	

Allan Hancock College
 Check Register
 Check Dates from 3/1/2019 to 3/31/2019
 Bank Code: FN

Vendor Name	Description	Amount	Check
		\$7,576.86	FN 83000427
Santa Ynez Valley Foundation	Sponsorship Awards Gala Table 033019	\$1,000.00	
		\$1,000.00	FN 83000428
Ariel Smith	Trvl Exps PTK Awards 03242519	\$446.68	
		\$446.68	FN 83000429
Testa Catering	Fd Sppls Dance Spectrum Event 031619	\$852.39	
	Fd Sppls PC Dance Spectrum Event 031619	\$677.16	
		\$1,529.55	FN 83000430
Ferrabie Aiello	RMB Fd Sppls Dance Spectrum Event 031619	\$38.81	
	RMB Sppls Dance Spectrum Event 031619	\$32.35	
		\$71.16	FN 83000431
Big Red Marketing	Schl Banquet Event Planning 052319 Feb Retainer	\$2,000.00	
	Schl Banquet Event Planning 052319 March Retainer	\$2,000.00	
		\$4,000.00	FN 83000432
La Tradicional Michoacana Ice Cream Shop Inc	Fd Sppls CSEA Ice Cream Social 031819	\$560.00	
		\$560.00	FN 83000433
Zoe'S Hawaiian Bbq	Fd Sppls CSEA BBQ 032119	\$3,914.95	
		\$3,914.95	FN 83000434
		Total: \$66,147.72	

**Allan Hancock College
Check Register
Check Dates from 4/1/2019 to 4/30/2019
Bank Code: FN**

Vendor Name	Description	Amount	Check
AHC District	Printing Charges July/Aug 2018	\$250.00	
	Fd Sppls Staff Apprec Luau 071618	\$449.80	
	Fd Sppls Sprvsr/Conf Apprec 071318	\$356.00	
	Sppls Pres Circle Event 072818	\$249.60	
	Payroll OT KB Art Gallery Event 090518	\$84.17	
	Fd Sppls All Staff Day 081718	\$79.37	
	Fd Sppls Stuff the Bus Event 081018	\$91.32	
	Fd Sppls Ldrshp Acad Presenter 080518	\$270.00	
	Fd Sppls Ldrshp Acad Presenter 080618	\$352.31	
	Fd Sppls Facity Orientation Event 081518	\$395.20	
	Payroll OT KB GAH Lecture Series Oct 2018	\$203.59	
	Fd Sppls Leap Mentorship Mtg 083018	\$52.89	
	Fd Sppls Bus Dinner KW, AS, PM, MA 083118	\$250.00	
	Ad Hancock Promise Nashville Nights Program	\$1,000.00	
	Payroll RHall Oct-Nov 2018	\$474.59	
	Sppls HP Event 101418	\$29.08	
	Sppls Equity Summit 102218	\$31.10	
	Sppls Staff Apprec	\$110.84	
	Sppls Bldg M Dedication Event 111418	\$237.32	
	Sppls RVan Den Berg Retire Receptn 092619	\$449.56	
Fd Sppls LEAP Mtgs 092419 &101118	\$130.64		
Trvl Exps S Roehl EMS Expo 102918-110318	\$1,407.77		
Pres Crcl Events Oct 2018	\$1,584.00		
Banner Schos Feb 2019	\$1,000.00		
	<u>\$9,539.15</u>		FN 83000435
Cardmember Service	Constant Contact Monthly Fees	\$76.71	
	Sppls Amazon Digital Maddux Reception Music	\$11.99	
	Sppls Amazon Digital Maddux Reception	\$11.99	
	Benevon HP Fundraising Starter Kit	\$162.83	
	Vimeo HP Fundraising Tools	\$1,095.00	
	Community College League PTK Luncheon AS 032519	\$160.00	
	Community College League PTK Luncheon ER 032519	\$240.00	
	EconAlliance Luncheon 031519	\$41.94	
	Sppls Flowers MC	\$84.19	
	Fd Sppls 030819	\$134.20	
	Fd Sppls Schol Mtg 030819	\$4.98	
	Fd Sppls Dance Spectrum Reception 031619	\$77.14	
	Sppls Dance Spectrum Reception 031619	\$9.31	
	<u>\$2,110.28</u>		FN 83000436
FrancoTyp-Postalia Inc.	Postage Meter	\$476.28	
		<u>\$476.28</u>	FN 83000437
Kevin Walthers	RMB Sppls Campus Art Mural	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000438
AHC - Bulldog Software Development Club	Bldg Sftware Dev Club Support	\$500.00	
		<u>\$500.00</u>	FN 83000439

Allan Hancock College
Check Register
Check Dates from 4/1/2019 to 4/30/2019
Bank Code: FN

Vendor Name	Description	Amount	Check
Ferrabie Aiello	RMB Printing Promise Tours	\$103.57	
	RMB Sppls Promise Tours	\$39.96	
		\$143.53	FN 83000440
Jaron Burtnett	AMATYC Math Contest S2019	\$200.00	
		\$200.00	FN 83000441
Marlyn Cox	RMB Fd Sppls Fdtn Mtgs	\$53.66	
		\$53.66	FN 83000442
Mason Gatz	AMATYC Math Contest S2019	\$200.00	
		\$200.00	FN 83000443
Office Depot	Fdtn Office Sppls Waters	\$23.97	
	Fdtn Office Sppls, Ink & Beverages	\$199.23	
	Fdtn Office Sppls Paper	\$159.80	
	Late Fee 031819	\$39.00	
	Finance Charge 032419	\$8.13	
		\$430.13	FN 83000444
Jacob Robson	AMATYC Math Contest S2019	\$300.00	
		\$300.00	FN 83000445
Santa Maria Breakfast Rotary Club	Monthly Dues & Fees KW March 2019	\$118.85	
		\$118.85	FN 83000446
AHC District	Mailroom Charges Jan-Mar 2019	\$105.64	
		\$105.64	FN 83000447
American Business Machines	Fdtn Canon Jan - Mar 2019	\$50.19	
		\$50.19	FN 83000448
Hotel Corque	Studet Success Conference Solvang 03/24-25/19	\$487.47	
		\$487.47	FN 83000449
Kathleen Johnson	RMB Sppls Dental Asst Class Pic & Board Mailing	\$89.07	
		\$89.07	FN 83000450
Orcutt Burgers Inc	Fd Sppls Agent of Change Awards Reception 041819	\$1,087.50	
	Setup Charge	\$50.00	
		\$1,137.50	FN 83000451
PCPA	Quarterly Northern Trust distribution 041619	\$18,662.00	
		\$18,662.00	FN 83000452
Producers Film Center Inc	Hancock Film Storage April 2019	\$82.96	
		\$82.96	FN 83000453
Skills Usa California	State Conf Advisor/Contestant Reg Fees 04/25-28/19	\$2,400.00	
		\$2,400.00	FN 83000454
Testa Catering	Fd Sppls Roundtable Bfst 040419	\$614.16	
	Fd Sppls Operations Fee 040419	\$112.95	
		\$727.11	FN 83000455

Allan Hancock College
Check Register
Check Dates from 4/1/2019 to 4/30/2019
Bank Code: FN

Vendor Name	Description	Amount	Check
AHC District	Payroll Charges B Dill 110918	\$259.02	
	RMB Sppls BT Ortega 111018	\$184.00	
	RMB Sppls R Hall 11/02 & 11/14	\$81.27	
	RMB Sppls Equity Summit 110719	\$24.19	
	RMB Fd Sppls Open Hour 112118	\$118.00	
	RMB Fd Sppls Meeting 111318	\$190.65	
	RMB Fd Sppls Meeting 102919	\$223.00	
	RMB Fd Sppls Meeting 103119	\$377.88	
		<u>\$1,458.01</u>	FN 83000456
Rebecca Fries	SkillsUSA Per Diem Students	\$750.00	
		<u>\$750.00</u>	FN 83000457
Hyatt Place	Ldg SkillsUSA CA State Conf 04/25-28/19	\$4,068.00	
		<u>\$4,068.00</u>	FN 83000458
Thomas Lamica	SkillsUSA Per Diem & Travel Expenses 04/25-28/19	\$309.48	
		<u>\$309.48</u>	FN 83000459
Michael Long	IC Foxworthy Gallery Artist Talk 032819	\$148.00	
		<u>\$148.00</u>	FN 83000460
Gabriel Marquez	SkillsUSA Per Diem & Parking 04/25-28/19	\$190.00	
		<u>\$190.00</u>	FN 83000461
Patrick McGuire	SkillsUSA Per Diem & Parking 04/25-28/19	\$190.00	
		<u>\$190.00</u>	FN 83000462
Dianne McMahon	RMB Dance Class Fees 040619	\$384.00	
		<u>\$384.00</u>	FN 83000463
PCPA	Presidents Circle Encore event 042719	\$1,736.00	
		<u>\$1,736.00</u>	FN 83000464
Testa Catering	Sgt swearing-in ceremony	\$206.63	
	Operation fee	\$20.66	
		<u>\$227.29</u>	FN 83000465
The Rotary Club Of Santa Maria	Dues and Membership Fees B Curry	\$49.00	
	Dues and Membership Fees B Curry	\$50.00	
		<u>\$99.00</u>	FN 83000466
Cardmember Service	Kindle Svcs	\$12.99	
	Constant Contact Monthly Fee	\$76.71	
	Kindle Svcs	\$9.99	
	NPRNSB Conference	\$110.00	
	Ldg PTK Student A Smith 03242519	\$183.35	
	Fd Sppls Mtg Lunch w/S Appel	\$29.52	
	Fd Sppls Mtg Lunch w/ bd member 032119	\$30.98	
	Fd Sppls Ambassadors luncheon 031419	\$256.40	
	Sppls Dance Spectrum Reception	\$48.60	
	Fd sppls Scholarship Mtg 031519	\$21.49	
	Postage Package Mailing	\$19.58	
	Sppls Leticia Appreciation	\$13.61	
	Fd Sppls Schf Comm Mtg 040219	\$149.70	
	Postage Committee Agenda Mailings	\$15.60	

Allan Hancock College
 Check Register
 Check Dates from 4/1/2019 to 4/30/2019
 Bank Code: FN

Vendor Name	Description	Amount	Check
		\$978.52	FN 83000467
Cardmember Service	Kindle Svcs	\$12.99	
	Constant Contact Monthly Fee	\$76.71	
	Kindle Svcs	\$9.99	
	NPRNSB Conference	\$110.00	
	Ldg PTK Student A Smith 03242519	\$183.35	
	Fd Sppls Mtg Lunch w/S Appel	\$29.52	
	Fd Sppls Mtg Lunch w/ bd member 032119	\$30.98	
	Fd Sppls Ambassadors luncheon 031419	\$256.40	
	Sppls Dance Spectrum Reception	\$48.60	
	Fd sppls Scholarship Mtg 031519	\$21.49	
	Postage Package Mailing	\$19.58	
	Sppls Leticia Appreciation	\$13.61	
	Fd Sppls Schl Comm Mtg 040219	\$149.70	
	Postage Committee Agenda Mailings	\$15.60	
		\$978.52	FN 89000055
Total:		\$50,330.64	

Allan Hancock College Foundation
Contributions
July 1, 2018 through June 30, 2019

Account	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
General Operations	\$ 6,228	\$ 20	\$ 7,927	\$ 6,692	\$ 785	\$ 15,178	\$ 6,238	\$ 140	\$ 1,640	\$ 19,322			\$ 64,169
Other Local Income	\$ 75	\$ -	\$ 325	\$ 25	\$ 3,863	\$ 129	\$ 46	\$ -	\$ 1,000	\$ 2,252			\$ 7,715
District Grant Contributions	\$ 5,651	\$ 7,927	\$ -	\$ 3,234	\$ 12,375	\$ 9,309	\$ 5,676	\$ 5,596	\$ 5,549				\$ 55,317
President's Circle	\$ 5,264	\$ 10,998	\$ 1,320	\$ 2,521	\$ 3,354	\$ 2,373	\$ 3,455	\$ 6,362	\$ 2,925	\$ 2,445			\$ 37,721
Restricted	\$ 6,566	\$ 15,081	\$ 3,283	\$ 55,736	\$ 10,720	\$ 53,384	\$ 13,041	\$ 33,173	\$ 11,816	\$ 8,865			\$ 211,865
Scholarships	\$ 48,085	\$ 28,308	\$ 9,250	\$ 25,273	\$ 5,863	\$ 45,146	\$ 41,083	\$ 39,711	\$ 41,029	\$ 48,931			\$ 332,878
Hancock Promise	\$ 16,000	\$ 3,700	\$ 125	\$ 19,275	\$ 19,200	\$ 192,744	\$ 8,225	\$ 53,762	\$ 21,759	\$ 80,023			\$ 414,815
Endowments	\$ -	\$ 3,000	\$ 3,979	\$ 100	\$ 5,050	\$ 31,986	\$ 2,000	\$ 13,345	\$ 55,458	\$ 123,600			\$ 238,518
MONTHLY TOTALS	\$ 87,869	\$ 69,033	\$ 26,208	\$ 112,857	\$ 61,210	\$ 350,249	\$ 79,764	\$ 152,089	\$ 137,878	\$ 282,638			
CURRENT YTD TOTALS	\$ 87,869	\$ 156,902	\$ 183,110	\$ 295,967	\$ 357,177	\$ 707,426	\$ 787,190	\$ 939,279	\$ 1,077,158	\$ 1,362,597			\$ 1,362,597

PRIOR YEARS CONTRIBUTIONS

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	774,867
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 04/30/2019

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
REVENUES:							
Contributions, Gifts, Grants & Endwmnts	0	64,169	664,200	332,678	238,518	0	1,299,565
District/Grant Contribution	0	55,317	0	0	0	0	55,317
Interest and Investment Income	0	21,400	0	0	0	646,324	667,724
Realized Gain/Loss on Invest	0	85,769	0	0	0	487,295	573,065
Unrealized Gain/Loss on Invest	0	(62,492)	0	0	0	(5,348)	(67,841)
Other Local Revenues	0	425	7,290	0	0	0	7,715
Total Revenues	0	164,588	671,490	332,678	238,518	1,128,271	2,535,545
EXPENSES:							
Non Bargaining Unit	0	215,345	0	0	0	0	215,345
Classified Non Instr FICA-Soc Scrty	0	13,351	0	0	0	0	13,351
Classified Non-Instr FICA-Medicare	0	3,123	0	0	0	0	3,123
Classified Non Instr Health & Wifr	0	676	0	0	0	0	676
Classified Non-Instr SUI	0	978	0	0	0	0	978
Classified ETT-Foundation	0	42	0	0	0	0	42
Classified Non Instr Workers Comp	0	1,884	0	0	0	0	1,884
Public Relations/Recognitions	0	498	0	0	0	0	498
Office/Operational Supplies	0	4,183	31,851	0	0	0	36,034
Non Instr Printing	0	1,656	4,147	0	0	0	5,802
Contest Prizes	0	0	1,400	0	0	0	1,400
Food - Business Meetings/Events	0	4,891	39,627	0	0	0	44,518
Indep Contractor (Individuals)	0	500	2,508	0	0	0	3,008
Service Contracts (Businesses)	0	3,928	4,000	0	0	0	7,928
Travel - All Travel Costs	0	428	11,613	0	0	0	12,041
On-Site-Prof. Develop/Webinars	0	0	84	0	0	0	84
Foundation Community Activities	0	20,186	50,944	0	39,708	0	110,839
Dues & Memberships	0	0	1,945	0	0	0	1,945
Non-Tech Licenses, Permits, Fees	0	473	1,291	0	0	0	1,765
Telephone	0	519	0	0	0	0	519
Facility Rental	0	0	633	0	0	0	633
Equipment Rental	0	678	208	0	0	0	886
Fngprnt/Bckgrnd/Psy Tst/Poly	0	99	0	0	0	0	99
District/College Support	0	0	158,863	0	0	0	158,863
Postage/Express Services	0	1,134	1,018	0	0	0	2,152
Freight	0	0	15	0	0	0	15
Advertising	0	2,317	7,685	0	0	0	10,002
Bank Service Charges	0	830	289	0	0	0	1,119
Merchant Fees	0	0	22	0	0	0	22
Investment Brokerage Fees	0	13,622	0	0	190	163,676	177,488
PCPA Support	0	0	0	74,648	0	0	74,648
Vit & Enology Foundation Support	0	0	26,576	10,000	0	0	36,576
Equipment	0	773	575	0	0	0	1,348
Student Assistance	0	0	6,200	0	0	0	6,200
Scholarships	0	0	0	482,590	(15,602)	0	466,988
Total Expenses	0	292,114	351,495	567,238	24,296	163,676	1,398,818
Net Income (Loss)	0	(127,526)	319,995	(234,560)	214,223	964,595	1,136,727
OTHER FINANCING SOURCES/OUTGO:							
Intrafund Transfer-In	0	164,180	24,873	11,025	260,172	0	460,250
Intrafund Transfers-Out	0	0	256,110	18,544	23,753	161,843	460,250
Net Transfers	0	164,180	(231,237)	(7,519)	236,419	(161,843)	0
Net Inc/Dec in Fund Bal	0	36,654	88,757	(242,079)	450,642	802,752	1,136,727
FUND BALANCE:							
Fund Equity, July 1	0	140,801	1,764,750	708,033	20,168,127	3,345,584	26,127,293
Current Balance	0	177,455	1,853,507	465,954	20,618,769	4,148,336	27,264,020

ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 04/30/2019

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
ASSETS:							
Claim on Cash	(9,092,199)	176,653	1,820,376	470,869	2,475,966	4,148,336	0
AHC Fdtn Rabo Checking	484,668	0	0	0	0	0	484,668
AHC Fdtn MS Active Assets MM	97,292	0	0	0	0	0	97,292
Cash on Hand	100	0	0	0	0	0	100
MS Select UMA Boyd 3740 Inv Cash	0	0	0	0	136,125	0	136,125
MS Select UMA Unrestr 2948 Inv Cash	19,270	0	0	0	0	0	19,270
Monarch With Strategies Pooled Cash	17,719	0	0	0	0	0	17,719
Monarch With Strategies Lahr Cash	0	0	0	0	927	0	927
Northern Trust Boyd Cash	0	0	0	0	138,858	0	138,858
Northern Trust Young Cash	0	0	0	0	25,148	0	25,148
Rabobank With Mgmt Boyd Cash	0	0	0	0	175,759	0	175,759
MS Select UMA Pooled 1441 Inv Cash	154,522	0	0	0	0	0	154,522
Pledge Receivable - Current	0	0	0	0	206,833	0	206,833
Pledge Receivable - Non Current	0	0	25,000	0	640,267	0	665,267
Discount on Pledge Receivable	0	0	(728)	0	(24,673)	0	(25,401)
Accrued Interest Receivable	0	0	0	0	287	0	287
Due From Other Funds	0	808	8,859	1,000	0	0	10,667
MS Select UMA Boyd 3740 Inv Cost	0	0	0	0	2,079,059	0	2,079,059
MS Select UMA Unrestr 2948 Inv Cost	449,770	0	0	0	0	0	449,770
Monarch With Strategies Pooled Cost	1,554,751	0	0	0	0	0	1,554,751
Monarch With Strategies Lahr Cost	0	0	0	0	62,963	0	62,963
Northern Trust Boyd Cost	0	0	0	0	6,625,357	0	6,625,357
Northern Trust Young Cost	0	0	0	0	1,184,741	0	1,184,741
Rabobank With Mgmt Boyd Cost	0	0	0	0	4,391,959	0	4,391,959
MS Select UMA Pooled 1441 Inv Cost	5,256,316	0	0	0	0	0	5,256,316
Interest in CA Comm Colleges Cost	0	0	0	0	121,564	0	121,564
SB Fdtn Hancock Promise Cost	0	0	0	0	680,128	0	680,128
MS Select UMA Boyd 3740 Inv FMV Adj	0	0	0	0	136,911	0	136,911
MS Select UMA Unrestr 2948 FMV Adj	65,812	0	0	0	0	0	65,812
Monarch With Strtgs Pooled FMV Adj	136,044	0	0	0	0	0	136,044
Monarch With Strtgs Lahr FMV Adj	0	0	0	0	2,509	0	2,509
Northern Trust Boyd FMV Adj	0	0	0	0	901,258	0	901,258
Northern Trust Young FMV Adj	0	0	0	0	181,375	0	181,375
Rabobank With Mgmt Boyd FMV Adj	0	0	0	0	442,612	0	442,612
MS Select UMA Pooled 1441 FMV Adj	855,935	0	0	0	0	0	855,935
SB Fdtn Hancock Promise FMV Adj	0	0	0	0	32,836	0	32,836
Total Assets	0	177,461	1,853,507	471,869	20,618,769	4,148,336	27,269,942
LIABILITIES:							
Sales Tax Payable	0	7	0	0	0	0	7
Due To/From Interchart Scholarsh	0	0	0	5,915	0	0	5,915
Total Liabilities	0	7	0	5,915	0	0	5,922
FUND BALANCE:							
Fund Equity FYB	0	140,801	1,764,750	708,033	20,168,127	3,345,584	26,127,293
Current Income/Loss	0	36,654	88,757	(242,079)	450,642	802,752	1,136,727
Total Fund Balance	0	177,455	1,853,507	465,954	20,618,769	4,148,336	27,264,020
Total Liabilities & Fund Balanc	0	177,462	1,853,507	471,869	20,618,769	4,148,336	27,269,942

Query View
 Fiscal period start date
 Fiscal period end date

Budget Quick Query
 07/01/2018
 06/30/2019

Allan Hancock College Foundation
 General Operations
 As of Date 4/30/2019

Chart of Accounts Fund 3 831001		Chart of Accounts Fund 3 831002		Budget	Year to Date	Commitments	Available Balance
Account	Account Title						
Expenditures							
214000	Non Bargaining Unit	\$	228,923	\$	215,345	\$ -	\$ 13,578
332000	Classified Non Instr FICA-Soc Scrt	\$	14,193	\$	13,351	\$ -	\$ 842
336000	Classified Non-Instr FICA-Medicare	\$	3,319	\$	3,123	\$ -	\$ 196
342000	Classified Non Instr Health & Wlfr	\$	1,200	\$	676	\$ -	\$ 524
352000	Classified Non-Instr SUI	\$	980	\$	978	\$ -	\$ 2
352500	Classified ETT-Foundation	\$	43	\$	42	\$ -	\$ 1
362000	Classified Non Instr Workers Comp	\$	4,025	\$	1,884	\$ -	\$ 2,141
451500	Public Relations/Recognitions	\$	500	\$	498	\$ -	\$ 2
452000	Office/Operational Supplies	\$	6,000	\$	4,183	\$ 1,205	\$ 612
454000	Non Instr Printing	\$	7,500	\$	1,656	\$ 1,576	\$ 4,268
471000	Food - Business Meetings/Events	\$	5,000	\$	4,891	\$ 89	\$ 20
511000	Indep Contractor (Individuals)	\$	11,925	\$	500	\$ -	\$ 11,425
511200	Service Contracts (Businesses)	\$	3,850	\$	3,928	\$ -	\$ (78)
521000	Travel - All Travel Costs	\$	5,500	\$	428	\$ 690	\$ 4,382
522000	On-Site-Prof. Develop/Webinars	\$	500	\$	-	\$ -	\$ 500
522400	Foundation Community Activities	\$	21,000	\$	20,186	\$ 134	\$ 680
531000	Dues & Memberships	\$	2,500	\$	-	\$ 295	\$ 2,205
532000	Non-Tech Licenses,Permits,Fees	\$	550	\$	473	\$ 9	\$ 68
554000	Telephone	\$	700	\$	519	\$ 181	\$ 0
569000	Equipment Rental	\$	850	\$	678	\$ -	\$ 172
582000	Fngprnt/Bckgrnd/Psy Tst/Poly	\$	100	\$	99	\$ -	\$ 1
587000	Postage/Express Services	\$	4,000	\$	1,134	\$ -	\$ 2,866
588000	Advertising	\$	4,900	\$	2,317	\$ -	\$ 2,583
589200	Bank Service Charges	\$	1,400	\$	830	\$ -	\$ 570
589500	Investment Brokerage Fees	\$	13,000	\$	13,622	\$ -	\$ (622)
641000	Equipment	\$	1,000	\$	773	\$ -	\$ 227
721500	Intrafund Transfers-Out	\$	33,500	\$	-	\$ -	\$ 33,500
Revenues							
882000	Contributions,Gifts,Grants&Endwmnt	\$	75,000	\$	64,169	\$ -	\$ 10,831
882500	District/Grant Contribution	\$	62,018	\$	55,317	\$ -	\$ 6,701
886000	Interest and Investment Income	\$	25,000	\$	21,400	\$ -	\$ 3,600
886500	Realized Gain/Loss on Investment	\$	15,000	\$	85,769	\$ -	\$ (70,769)
886600	Unrealized Gain/Loss on Invest	\$	-	\$	(62,492)	\$ -	\$ 62,492
889000	Other Local Revenues	\$	-	\$	425	\$ -	\$ (425)
898200	Intrafund Transfer-In	\$	199,940	\$	164,180	\$ -	\$ 35,760
Revenue Total		\$	376,958	\$	328,768	\$ -	\$ 48,190
Expenditure Total		\$	376,958	\$	292,114	\$ 4,179	\$ 80,665
Report Total		\$	-	\$	36,654	\$ (4,179)	\$ (32,475)
Intrafund FY19 Transfer-in:							
Administration Fee @ 1.5%	\$	72,706					
President's Circle @ 15%	\$	4,122					
Young Unrestricted End.	\$	87,190					
Unrest End. Proceeds	\$	-					
Hancock Promise 1.5%	\$	162					
Hansen Unrestricted End.	\$						
	\$	164,180					

AHC Financial Overview - General Operations			
Fiscal year 2018-2019			
Statement of Activity	Actual as of	% of	Budget
	4/30/2019	Budget	2018-19
Support and revenue			
Unrestricted contributions	64,169	86%	75,000
Title 5 support	55,317	89%	62,018
Transfers in:			
Admin fee @ 1.5%	72,706	77%	94,750
President's Circle Fee @1%	4,122	27%	15,000
Other	-		3,000
Promise fee 1.5%	162		-
Hansen Proceeds	-		-
Young Proceeds	87,170	100%	87,190
Net transfers in	164,160	82%	199,940
Other	425		-
Total support and revenue	284,071	84%	336,958
Expenditures - See below	(292,114)	77%	(376,958)
Other Income:			
Net realized gain	85,769		-
Net unrealized gain (loss)	(62,492)		15,000
Interest and dividends	21,400	86%	25,000
Total other income	44,677	112%	40,000
Change in net assets	36,634		-
Net assets, beginning	140,801		140,801
Net assets, end	177,435		140,801
Expenditures	Actual as of	% of	Budget
	4/30/2019	Budget	2018-19
Advertising and postage	3,949	44%	8,900
Bank and brokerage charges	14,452	100%	14,400
Building and equipment	1,451	145%	1,000
Community activities	20,186	96%	21,000
Contest prizes			
Contracted personal services	500	3%	16,650
Contracts and leases	3,928	714%	550
District College Support			
Employee benefits	20,054	84%	23,760
Food	4,891	98%	5,000
Memberships and permits	-		2,500
Miscellaneous expense	572	53%	1,075
PCPA support			
Salaries	215,345	94%	228,923
Scholarships			
Scholarship banquet support	-		20,000
Software maintenance	-		-
Student Assistance			
Supplies and materials	5,839	43%	13,500
Telephone	519	74%	700
Title III funding	-	0%	13,500
Travel and conference	428	8%	5,500
Viticulture support			
Total expenditures	292,114	77%	376,958
Statement of Financial Position	4/30/2019		
Assets			
Current Assets			
Cash	176,653		
Pledges receivable - current			
Other assets	808		
Total current assets	177,461		
Pledges receivable - non current			
Investments			
Total assets	177,461		
Liabilities and Net assets			
Current liabilities	6		
Net Assets	177,455		
Total liabilities and net assets	177,461		

AHC Financial Overview - District			
Fiscal year 2018-2019			
Statement of Activity	Actual as of	% of	Budget
	4/30/2019	Budget	2018-19
Support and revenue			
Unrestricted contributions	1,299,565	86%	1,505,000
Title 5 support	55,317	89%	62,018
Transfers in:			
Admin fee @ 1.5%			
President's Circle Fee @1%			
Other			
Promise fee 1.5%			
Hansen Proceeds			
Young Proceeds			
Net transfers in			
Other	7,715	39%	20,000
Total support and revenue	1,362,597	86%	1,587,018
Expenditures - See below	(1,398,818)	62%	(2,268,858)
Other Income:			
Net realized gain	573,065	164%	350,000
Net unrealized gain (loss)	(67,841)		750,000
Interest and dividends	667,724	95%	700,000
Total other income	1,172,948	65%	1,800,000
Change in net assets	1,136,727	102%	1,118,160
Net assets, beginning	26,127,293	100%	26,127,293
Net assets, end	27,264,020	100%	27,245,453
Expenditures	Actual as of	% of	Budget
	4/30/2019	Budget	2018-19
Advertising and postage	12,652	29%	43,200
Bank and brokerage charges	178,629	123%	145,500
Building and equipment	2,867	42%	6,850
Community activities	110,839	528%	21,000
Contest prizes	1,400		
Contracted personal services	3,008	25%	11,925
Contracts and leases	7,928	206%	3,850
District College Support	158,863	21%	750,000
Employee benefits	20,054	84%	23,760
Food	44,518	223%	20,000
Memberships and permits	1,945	49%	4,000
Miscellaneous expense	1,962	1962%	100
PCPA support	74,648	101%	74,000
Salaries	215,345	94%	228,923
Scholarships	466,988	57%	815,000
Scholarship banquet support			
Software maintenance		0%	500
Student Assistance	6,200	41%	15,000
Supplies and materials	41,836	94%	44,500
Telephone	519	69%	750
Title III funding			
Travel and conference	12,041	20%	60,000
Viticulture support	36,576		
Total expenditures	1,398,818	62%	2,268,858
Statement of Financial Position	4/30/2019		
Assets			
Current Assets			
Cash	1,250,388		
Pledges receivable - current	206,833		
Other assets	10,954		
Total current assets	1,468,175		
Pledges receivable - non current	639,866		
Investments	25,161,901		
Total assets	27,269,942		
Liabilities and Net assets			
Current liabilities	5,922		
Net Assets	27,264,020		
Total liabilities and net assets	27,269,942		

AHC Foundation Financial Overview - Investments
July 1, 2018 - April 30, 2019

Cash & Investments	7/1/2018	Deposits	Interest &		Brokerage Fees	Realized Gain/(Loss)	Unrealized Gain/(Loss)	4/30/2019
			Dividends	Withdrawals				
General Operations, Restricted, and Scholarships	\$ 1,031,038	\$ 2,153,849	\$ 14,610	\$ (2,109,987)	\$ (2,772)	\$ 85,760	\$ (55,607)	\$ 1,116,891
Endowments								
Morgan Stanley - UMA Active Assets	\$ 6,216,427	\$ -	\$ 123,441	\$ (264,000)	\$ (59,136)	\$ 137,285	\$ 112,756	\$ 6,266,773
Morgan Stanley - Boyd Music Program	\$ 2,305,446	\$ -	\$ 104,817	\$ (92,500)	\$ (13,944)	\$ (46,175)	\$ 94,459	\$ 2,352,102
Monarch Wealth Strategies - LPL	\$ 1,643,232	\$ -	\$ 61,922	\$ -	\$ (16,882)	\$ 154,569	\$ (134,327)	\$ 1,708,514
Monarch Wealth Strategies - LPL - Lahr	\$ 63,490	\$ -	\$ 3,233	\$ -	\$ (865)	\$ 1,288	\$ (747)	\$ 66,399
Osher-Bartleson	\$ 121,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,564
Northern Trust - Young	\$ 1,453,787	\$ -	\$ 28,550	\$ (87,190)	\$ (6,827)	\$ 44,937	\$ (41,949)	\$ 1,391,308
Santa Barbara Foundation - Hancock Promise	\$ 425,622	\$ 255,275	\$ 7,437	\$ 15,737	\$ (6,532)	\$ (990)	\$ 16,409	\$ 712,959
Rabobank Wealth Mgmt. - Boyd	\$ 4,777,850	\$ -	\$ 168,565	\$ -	\$ (35,560)	\$ 66,332	\$ 33,143	\$ 5,010,328
Northern Trust - Boyd	\$ 7,508,920	\$ -	\$ 153,312	\$ -	\$ (32,715)	\$ 147,145	\$ (110,946)	\$ 7,665,716
Total	\$ 25,547,376	\$ 2,409,124	\$ 665,887	\$ (2,537,940)	\$ (175,233)	\$ 590,151	\$ (86,809)	\$ 26,412,553
Statement of Financial Position								
Cash								\$ 1,250,388
Investments								\$ 25,161,901
Subtotal Cash + Investments								\$ 26,412,289
Receivables & Other								\$ 857,653
Total assets								\$ 27,269,942

To: Finance Committee	ACTION
From: Jon Hooten Executive Director, College Advancement	July 10, 2019
Subject: Review and Approval Investment Policy	

BACKGROUND

The Allan Hancock College Foundation is a non-profit corporation dedicated to 1) soliciting and raising money to award scholarships to AHC students or to students who are preparing to leave AHC to continue their studies at a university; 2) supporting the educational programs of AHC; and 3) assisting AHC in the funding of its capital needs.

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

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

At the Finance Committee meeting held on January 9, 2019, the investment advisors provided a few recommended changes to the policy. The committee tabled approving the policy until staff contacted investment advisors Mr. Louis Piscane, Northern Trust, and Mr. Todd McGinley, Rabobank Wealth Management, and requested detailed information for the recommendations.

The investment advisors recommendations are included in this packet.

Fiscal Impact

None

RECOMMENDATION

Upon review and agreement, a motion is required to approve the Investment Policy Statement.

Marlyn Cox

From: Louis Pisacane <lcp2@ntrs.com>
Sent: Wednesday, May 08, 2019 10:24 AM
To: Marlyn Cox
Cc: Jon Hooten
Subject: RE: Recommendation question

Sure, I'd be happy to. About half of the world's stocks are in the US and half are International whether based upon the total market values of the individual companies or the earnings they generate. If you wanted to buy one Index fund to cover all 2,700 Global stocks, the most popular is the MSCI ACWI (Morgan Stanley Capital International All Country World Index) which is 55% US and 45% International. So your Investment Policy Statement is taking a pretty big bet on US stocks as compared to International by guiding the managers to target 83% US and 17% International in the stock portion of the portfolio. The behavioral preference for familiar stocks from one's home country as compared to less familiar international stocks is so prevalent worldwide it actually has a name called 'Home Country bias'. Investors in Belgium own too many Belgian stocks, in Japan too many Japanese stocks, in the US....

Your IPS (section 4.4 in the 4/2013 version) says it came to the Policy allocation through an optimization process, but when we run an optimization process today (which takes historical Asset Class returns and volatility and returns a combination with the highest possible return and lowest possible risk) we get a 50%/50% portfolio. I would expect that rerunning the AHCF IPS optimization unconstrained would return the same 50/50 result because the historical inputs would be the same as what we use.

In short and as a result we can get the same expected return as your IPS Policy portfolio with lower expected risk by having a larger allocation to International and smaller allocation to US, which as a Fiduciary is something that warrants serious consideration.

Louis



Louis Pisacane, CFA

Senior Vice President | Senior Portfolio Manager | Wealth Management

1485 East Valley Road, Montecito, CA USA

+1 805-695-7327 | lcp2@ntrs.com

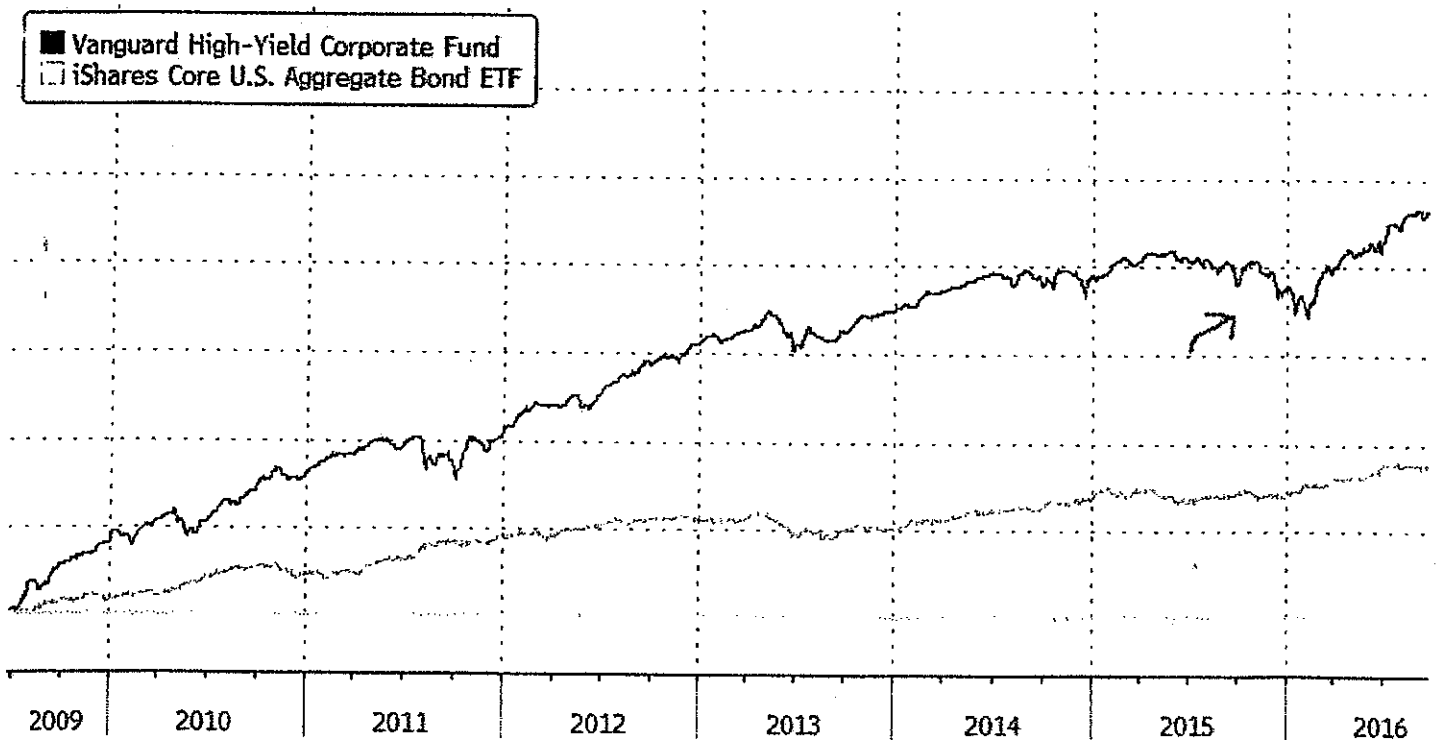
McGinley, T (Todd)

From: McGinley, T (Todd)
Sent: Thursday, June 27, 2019 9:56 AM
To: Marlyn Cox
Cc: Jon Hooten
Subject: RE: Investment policy recommendation

My recommendation would be to allow High yield funds, not individual bonds. Individual bonds that are lower rated require an extensive research department and broad diversification, two things you get with a good high yield fund.

High yield bonds pay a higher rate of interest because they are lower rated. In good times there is a modest rate of default which expands a lot in bad times like a recession. The extra yield you receive compensates you for this risk. The chart below shows the return of the vanguard high yield fund versus the broad bond market index. You can see that high yield bonds underperformed during the phantom recession of 2015-2016 when defaults in the energy sector increased. This underperformance reversed fairly quickly and high yield went on to higher levels.

My job is to evaluate when it is a favorable time to own high yield, much like everything else in the portfolio. Unlike high quality bonds that are all-weather, high yield bonds are fair weather assets that should be reduced when the weather turns bad. At the moment a weighting of 5 to 10 percent in high yield seems reasonable.



Please let me know if you would like more information.

Thanks,

ALLAN HANCOCK COLLEGE FOUNDATION INVESTMENT POLICY STATEMENT

1. INTRODUCTION AND PURPOSE

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

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

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

This policy will be reviewed on an annual basis and updated as appropriate. Members of the Finance Committee will sign and date this policy to certify that they have reviewed the document and updated it where appropriate. The document will be approved by the full Board of Directors at its regularly scheduled meeting just prior to the start of the college's fiscal year.

2. SCOPE

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

3. OBJECTIVES

The primary investment objectives of this policy are:

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

4. POLICIES

4.1. Finance Committee

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

4.2. Acceptable Investments

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

- 4.2.8.5. Mid Cap – Value
- 4.2.8.6. Mid Cap – Blend
- 4.2.8.7. Small Cap – Growth
- 4.2.8.8. Small Cap – Value
- 4.2.8.9. Small Cap – Blend
- 4.2.8.10. Emerging Markets
- 4.2.8.11. International (by size, style and geography)
- 4.2.9. Exchange Traded Index Funds
- 4.2.10. Real Estate may be held provided it is the result of a gift to the AHC Foundation and the Finance Committee has determined that it either generates sufficient rental income to justify the cost of ownership or there is a compelling need for the property at some point in the future that justifies holding the property.
- 4.2.11. Real Estate Investment Trusts or R.E.I.T.'s.
- 4.2.12. Alternative Investments such as hedge funds may be used as an additional investment vehicle to enhance returns, reduce volatility, and expand the diversification of Foundation assets.
- 4.2.13. Mortgage Backed Securities and CMO's (excluding PAC bonds, IO's, PO's, residual bonds, etc.) may be used. These securities shall be treated as part of the foundation's fixed income asset class.

4.3. Prohibited Investments

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

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

4.4. Diversification and Asset Allocation

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

<u>Asset Class*</u>	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	20%	50%
Mid Cap Equities	5%	20%
Small Cap Equities	5%	15%
International Equities	5%	15%
Fixed Income	25%	40%
Other (R.E.I.T.'s Hedge Funds, etc.)	0%	10%

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

4.5. Investment Consultants and Managers

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

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

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

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

4.6. Meetings, Reporting and Communication

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

- 4.6.1. Period-to-date financial results
- 4.6.2. Period-to-date financial results vs. budget
- 4.6.3. Investment Portfolio results to date
- 4.6.4. Current Investment Portfolio valuations
- 4.6.5. Other pertinent investment and financial information as appropriate.

4.7. Evaluation of Performance

Fund managers will be evaluated on at least an annual basis. Their performance over a sufficiently long time horizon (at least 3 to 5 years) shall be compared to indices of similar style funds (e.g. - S & P 500, Russell 3000, etc.) and/or comparable benchmarks. Managers who consistently under perform versus appropriate benchmarks

over longer time horizons will be replaced unless compelling evidence exists to suggest that the funds performance has returned to, or is about to return to, an acceptable level.

5. DONATIONS

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

6. CONFLICT OF INTEREST

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

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

7. ENDOWMENT FUNDING GUIDELINES

7.1. Regular Endowment Funds (Permanent Endowment)

It shall be the policy of the foundation to annually fund its endowment commitment at a rate based on the following table:

Endowment Value at Review Date	Endowment Commitment
Endowment Value < Corpus Value	Zero
Endowment Value is between 100% and 129% of Corpus Value	5% of the endowment value reduced, if necessary, so that endowment value after funding does not fall below corpus value.
Endowment Value is above 129% of Corpus Value	An amount, to be determined by the foundation board, which can exceed 5%, but will in no event cause the endowment value after funding to fall below 124% of the corpus value.

Examples of the above:

Endowment Value = 103% of Corpus Value = → Endowment Commitment would be 3%.

Endowment Value = 110% of Corpus Value = → Endowment Commitment would be 5%.

Endowment Value = 135% of Corpus Value = → Endowment Commitment could be between 5% and 11% as set at the discretion of the foundation board.

It is recognized that the endowment value may be below corpus value and donations may need to be secured to fund endowment activities outside of the endowment until market conditions improve to a point that the endowment value once again exceeds corpus value.

7.2. Title III Endowment Funds (Term Endowment)

The policy on these funds shall be identical to the above regular endowment funds with the additional caveat that the endowment commitment (expressed as a percentage of the endowment fund) can not exceed fifty percent (50%) of the aggregate Title III endowment fund income as determined during that fiscal year. This term endowment restriction expires twenty years (2019) after inception of original investment date.

7.3. Quasi Endowment Funds

Quasi funds are held for a specific purpose and for which the foundation has been instructed by the donor to use all of the income and principal when the need is evident to fulfill that purpose. These funds will be invested like permanent and term endowments but expenditures will not be limited by this policy.

7.4. Exceptions to Endowment Funding Guidelines

7.4.1. Providing funding for endowment activities which exceed the above guidelines shall only be made in response to unusual circumstances and requires a 2/3 majority vote of the foundation's board of directors.

7.4.2. The foundation reserves the right to fund any portion or all of the annual endowment commitment from unrestricted funds at their discretion should the endowment value fall below corpus value. Further, the foundation shall normally pay back those unrestricted fund accounts for advances made on behalf of an endowment.





8. CONCLUSION AND CERTIFICATION

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

9. CONCLUSION AND CERTIFICATION

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

The following Finance Committee members certify that at a meeting of the Finance Committee on March 28, 2018, have reviewed and updated this Investment Policy Statement as appropriate.

 Finance Committee - Chair	<u>3/28/18</u> Date
 Committee Member	<u>3/28/18</u>
 Committee Member	<u>3/28/18</u>
 Committee Member	<u>3/28/18</u>
 Committee Member	
 Committee Member	
 Committee Member	

Approved/updated: 3/28/2018
Approved/updated: 9/22/2016