

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT FOUNDATION
BOARD OF DIRECTORS REGULAR MEETING**

Draft Minutes

Tuesday, December 1, 2020 - 8 am via Zoom

I. CALL TO ORDER

Mr. Martinez called the zoom meeting to order at 8:05am.

II. ROLL CALL

Members present: Ms. Claudia Alvarez, Ms. Kristin Crellin, Dr. Marilyn Flores, Mr. Juan Gonzalez, Mr. Todd Litfin, Mr. Marvin Martinez, Mr. Adam O'Connor, Mr. Enrique Perez, Mr. Andrew Patterson, Mr. Craig Rutan and Mr. Jose Vargas via video/teleconference (Zoom) pursuant to Governor Newsom's Executive Order N-29-20.
Ms. Patricia Duenez was present via video/teleconference (Zoom) as record keeper.
Absent Member: Mr. Eddie Marquez.

III. APPROVAL OF THE AGENDA

A. Amendments and Corrections (if any)

None were made.

B. Approval of Agenda

It was moved by Mr. Litfin, seconded by Ms. Crellin to approve the agenda. The motion carried with the following vote: Aye – Ms. Crellin, Mr. Gonzalez, Mr. Litfin and Mr. Martinez.

IV. ITEMS FOR DISCUSSION AND/OR ACTION

A. Approval of new board member Andrew Patterson, President, Autism Behavior Sciences, Inc. (ABSI) beginning December 1, 2020 for a term of 3 years (for discussion and/or action)

Mr. Perez provided a brief review of Mr. Patterson's bio and partnership efforts with RSCCD.

It was moved by Ms. Crellin, seconded by Mr. Litfin to approve Mr. Patterson's appointment to the board. The motion carried with the following vote: Aye – Ms. Crellin, Mr. Gonzalez, Mr. Litfin and Mr. Martinez.

Mr. Patterson joined the meeting at this time. Introductions were made by all members and guests.

V. APPROVAL OF MINUTES – June 2, 2020 Annual & June 2, 2020 Regular Board Meetings

A. Corrections (if any)

None were made.

B. Approval of the Minutes

FOUNDATION BOARD MEMBERS:

Claudia Alvarez • Kristin Crellin • Juan M. Gonzalez • Todd O. Litfin • Eddie Marquez • Andrew Patterson

Ex-Officio Voting Members: Marvin Martinez

Ex-Officio Non Voting Members: Dr. Marilyn Flores • Craig Rutan • Roy Shahbazian • Jose Vargas

Staff: Adam O'Connor • Enrique Perez

It was moved by Mr. Litfin, seconded by Ms. Crellin to approve the June 2, 2020 annual and regular meeting minutes. The motion carried with the following vote: Aye – Ms. Crellin, Mr. Litfin and Mr. Gonzalez.

Abstentions - Mr. Gonzalez and Mr. Patterson.

VI. PUBLIC COMMENTS

No public comments were made or submitted.

VII. EXECUTIVE DIRECTOR'S REPORT

A. Update on the Capability Building Contract between the Rancho Santiago Community College District Foundation and the Colleges of Excellence Company

Mr. Perez provided an update; project has come to an end, final payment of \$400,000 expected February 2021, a final report from CoE is being finalized. Mr. Perez answered questions from members.

B. Board Membership

Mr. Perez provided update on recruitment efforts to board membership, collaborating with colleges, board membership focus on workforce development. With Disney's layoffs, Disney and unions projected to apply for State contract for Employment Training Panel (ETP) funds. Contract will pay and provide retraining to employees in different industries. State has monies through ETP.

Dr. Flores joined the meeting at this time.

Questions were answered. Mr. Perez answered additional questions on CoE contract.

C. Forensics Team – Update Budget & Business Plan/Executive Summary

Mr. Perez introduced Professor Miller and Professor Castellanos. Mr. Miller provided history of the budget presentation made at the June meeting and the report included in the agenda. This report was to be presented at the September meeting, which was cancelled.

Mr. Castellanos reported on balances and expenditures related to the \$30,000 approved at the December 2019 meeting; spending in line with proposal. Spring has larger expenses with Nationals Competition, most monies rolled over to fall. Questions were answered.

Ms. Claudia Alvarez joined at this time.

Mr. Perez provided history of Foundation moving forward with districtwide Forensics Team and benefits associated.

Members provided positive remarks on appeal to college when a Forensics Team is present. Dr. Flores and Mr. Vargas thanked Professor Miller and Castellanos on their involvement with Forensics Program and efforts made to fundraising.

For new board members, Mr. Miller provided overview of what a Forensics/Speech and Debate Team does. Online tournaments are expected to continue after COVID restrictions are lifted.

No action was taken. The 2021/2022 budget will be brought back at next meeting for further review and approval.

VIII. COLLEGE PRESIDENT'S REPORT

SAC: Dr. Flores provided a report.

SCC: Mr. Flores provided a report.

Both reports will be forwarded to members.

IX. APPROVAL OF TREASURER’S REPORTS

A. Treasurer’s Reports – May, June, July, August, September, October 2020 (action to approve only).

It was moved by Mr. Litfin; seconded by Ms. Kristin to approve the Treasurer’s Reports as presented. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Crellin, Mr. Gonzalez, Mr. Litfin and Mr. Martinez.

Mr. O’Connor provided a summary of reports. Upcoming Foundation audit projected to be a ‘clean audit’.

X. ITEMS FOR DISCUSSION AND/OR ACTION

A. Accept check from CDC Small Business Finance for \$2,000 (for discussion and/or action).

It was moved by Ms. Crellin, seconded by Mr. Gonzalez to accept the CDC Small Business Finance check for \$2,000. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Crellin, Mr. Gonzalez, Mr. Litfin and Mr. Martinez.

XI. BOARD MEMBER COMMENTS

Ms. Alvarez thanked board members and provided welcoming remarks to new members. This is her final meeting.

Ms. Crellin provided positive comments on Forensics presentation.

Mr. Gonzalez thanked members for the welcoming. This was his first meeting.

Mr. Patterson’s questions were answered on criteria used for the Forensics Aspen prize.

Mr. Martinez provided update on three (3) new Trustees being sworn in at December 14th board meeting.

XII. FUTURE MEETINGS

Next regular meeting of the board is scheduled for Tuesday, March 2, 2021.

XIII. OTHER

A. 2020-2021 Conflict of Interest Statement

Ms. Duenez will forward statements to board members to fill out and return for audit purposes.

XIV. ADJOURNMENT

Mr. Martinez adjourned the meeting at 9:18am.

The motion was moved by Mr. Patterson, seconded by Ms. Alvarez. The motion was carried by the following vote: Ms. Alvarez, Ms. Crellin, Mr. Gonzalez, Mr. Litfin, Mr. Martinez, and Mr. Patterson.

Approved: _____

Forensics Program Report to the RSCCD

Prepared by
Jared Kubicka-Miller
Ralph Castellanos

In early June, 2020, we (Jared Kubicka-Miller and Ralph Castellanos) presented how we would use funds for a RSCCD forensics program, should those funds be approved by the district foundation. The feedback that we received was that the presentation needed greater focus on how such funding would affect outcomes in favor of district interests. This report focuses on those outcomes, and is divided into two sections: the first focuses on how funding will impact enrollment, and the second lists several other district interests that a robust forensics program would benefit.

Enrollment is the lifeblood of any institution of higher education. The foundation can assume that a fully funded forensics program would benefit enrollment for four reasons.

1. First, a district-wide forensics program would boost high school recruitment efforts. At our last two appearances before the foundation, we shared the relationship that we have built with Sal Tinajero, the Program Specialist for the Santa Ana Unified School District. Mr. Tinajero has spent years building the Santa Ana forensics program into a nationally competitive team of middle and high school students. Many of those students are looking for a local, reasonably priced solution for their higher education needs when they graduate. We have had several meetings with Mr. Tinajero where he clearly stated that those students would flock to a program in our district. There are over 80 students in the program, and they are reaching the point of graduation. These students provide the district with unique opportunities to recruit earlier, and maintain regular contact directly with prospective students. Both are proven strategies to boost enrollment (Olsen, 2018). Should we not have funding for our forensics program, it is highly likely that they will choose other colleges that suit their education needs. In addition to forensics students, our recruitment efforts at local high schools will attract students, even if they do not participate in the activity. Recruiters increase the brand recognition of any institution by establishing a constant presence at local high schools. Students talk to their friends about their plans after graduation. The more recognition we create at local high schools, the more the district can position itself as the default choice for college upon graduation. Forensics programs have a vested interest in creating that presence, and the district can benefit with additional enrollment, even if those students never compete in the program.
2. Forensics programs boost enrollment by increasing units per student. Students often choose to participate in forensics after they have selected their class schedule. This means

that they choose forensics in addition to, rather than instead of, other classes. This means that an individual student might have up to 4 more units per semester than the average. In fact, there is a limit to the number of units that an individual student can self-enroll in a semester. Anything over that limit requires special administrative approval. In over 12 years of teaching, I cannot recall a single student that needed to petition to add any course other than forensics.

3. Forensics programs increase completion rates. Ways to improve retention and completion at community colleges has lately become a focus of study. The relationship to enrollment is clear, students that complete their degrees positively contribute to enrollment. A promising strategy for improving retention and completion is through high-impact educational practices (Kuh, 2016). Dr. Vincent Stephens describes how forensics programs clearly meet the standards of high-impact practices through student time and effort, meaningful interaction, cultural diversity, and ongoing feedback (2019). In fact, a well-founded forensics program creates the opportunity to fully develop a forensics themed learning community, where students schedule linked courses together, and work in groups with one another and their professors (Kuh, 2008). The benefits of speech and debate have already proven, and measurable benefits at the high school level. According to the American Debate League:

While only 50 percent of high school students in urban schools graduate, ninety percent of urban high school debaters graduate. What is more, 72 percent of high-risk secondary-school debaters graduate, versus just 43 percent of high-risk non-debaters. They also score better on ACT and SAT tests, get into better colleges, and perform better once in college. Furthermore, pupils do not need to debate forever to see results — even one or two debate experiences improves performance (though for every semester a student debates, her grades go up). (2020)

4. We can capitalize on being one of the few programs that is ready for online instruction. By tapping into a student population that normally wouldn't be able to participate in forensics, we could potentially become one of the largest programs in the nation. Professors are struggling to adapt forensics activities to the pandemic, but we have already developed a partnership with a private company, ProtoCommunications, to provide online lecture and assessment materials specifically designed for speech and debate competition. This means that we are in a unique position to provide forensic coaching to students without the traditional geographical limitations. The implications that this has for students with disabilities, and other limitations, is enormous. Few other colleges are in a position to take advantage of this situation. With the forensics program

alone, we have the potential to serve, not just dozens, but hundreds of students every year.

Enrollment is important, but there are several other metrics that learning institutions should use when decision-making. The mission of the Rancho Santiago Community College District Foundation is to enhance the economic development of our region and to generate revenue to supplement the resources of the district and its two colleges, Santa Ana College and Santiago Canyon College. In this section, we describe how the supplemental resources would directly improve on several of these other metrics.

1. Forensics fosters improved transfers rate. There are several local, and national universities that also support forensics programs. We compete with them at tournaments. In other words, forensics is a social network of colleges and universities. Becoming a part of this network opens up opportunities for transfer that are otherwise unavailable to other students: scholarships, tuition waivers, advanced enrollment, late acceptance, and other types of assistance are offered at some of the best universities in the nation. That, coupled with the fact that forensics students gain the skills and confidence that already set them apart from their classmates, and the result is a transfer rate that exceeds the average. Furthermore, forensics students transfer to higher rated universities. We have had several students get accepted into various UC campuses specifically due to their forensics experience.
2. Forensics teams foster positive equity. Students feel a sense of community and connectedness to their teams and their institutions. Students from marginalized groups benefit from a sense of belongingness that positively influences their connection to higher education (Croucher, Thornton, & Eckstein, 2006). The authors go on to discuss that when students are on a team together, their participation is more meaningful. These meaningful experiences foster identification between students and the institution. As Hernandez and Lopez (2004) suggests, students' ability to self-identify with an institution has a significant positive relationship with college retention, especially for students of color. This direct link to college retention provides a strong warrant for increased investment into our forensics program. Students in the forensics teams experience significant personal growth, relative to their non-forensics peers, in areas of critical thinking, social responsibility, professional training, and confidence. On a personal level, students in forensics teams experience long lasting life benefits like a healthier mental outlook through overall confidence in their communication skills, and an ability to maintain positive long-term relationships (Rogers, 2005, 33). Researchers suggest that growth in these areas can enhance productivity, goal achievement, and encourage success in students (Croucher, Long, Deepa, & Steele, 2009, 87).

3. Forensics encourages civil engagement. Quantitative research suggests that forensics students are significantly more likely to vote in elections, exhibit political volunteerism, social volunteerism, social advocacy, maintain a GPA of 3.5 or above, obtain professional internships, complete higher education on-time, graduate from educational programs, and receive job offers in their major much quicker after graduation (Rogers, 2002). These programs also help to break down barriers for student groups after they leave college. Forensics programs provide support for female students who seek careers like law and business by providing skills and networks, which are linked to professional success (Matz & Bruschie, 2006, 38). In essence, an investment in forensics programs is an investment in achievement of educational outcomes and career success.

4. As the only district-wide competitive program, the RSCCD Forensics Team would provide an excellent way to identify the district as the whole. Forensics teams exude an image of academic rigor, and excellence. 50-60% of top ten colleges in CA have a program, compared to around 6% of all community colleges (Engleberg et al., 2008). Imagine every photo of a student accepting an award being identified with RSCCD. Following alumni, and their accomplishments, and referencing their time on the RSCCD team as pivotal. This would add to the image of RSCCD being a professional and bold place of learning.

Works Cited

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2 YEAR BUDGET PROPOSAL

May 27, 2020



Covid-19 has significantly influenced the projected cost of the upcoming seasons. It is impossible to predict when travel restriction will be lifted, let alone what the cost of travel will be once they are. Included in this proposal are 2 scenarios: one where there is limited travel, and one with no travel and only online tournaments. The result is a total cost that ranges from \$131,000 to \$187,600 over the next 2 years.

Limited Travel Budget Proposal

1Year Online Tournaments Budget Proposal

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT & CHOC CHILDREN'S PARTNERSHIP

CHOC Children's is exclusively committed to improving the health and well-being of children through clinical expertise, advocacy, outreach, education, and research. Our growing health care community includes two state-of-the-art pediatric hospitals in Orange and Mission Viejo, numerous primary and specialty care clinics, a mental health inpatient center, and four clinical centers of excellence.

As a non-profit healthcare system, CHOC is a safety net organization for our community. Over the past three years, we have dedicated an average of more than \$50 million in uncompensated care to ensure all children receive the care they need, regardless of their family's ability to pay.

We welcome the opportunity to partner with Rancho Santiago Community College District to help shape comprehensive programs that will provide a broad range of needed services in Orange County's most underserved communities. Through our Wellness on Wheels (WoW) and community educational outreach programs, we will work toward dismantling barriers to healthcare access that have historically resulted in health disparities among the county's most vulnerable. Together, we can help create impactful and life changing opportunities.



Wellness on Wheels & Community Educational Outreach

WHERE WE BEGAN: PIONEERING COMMUNITY-CENTERED ASTHMA CARE

CHOC Children's Breathmobile Program has been serving Orange County children since 2002. The program started with one 36-foot RV which was converted into a mobile clinic with two exam rooms. In the late 2000s, it expanded to include two such vehicles to service both North and South Orange County sites, where there was high need for follow-up care among children facing a chronic diagnosis of asthma. This service has been an incredible asset to the community and the County's healthcare system, consistently boasting some of the highest patient satisfaction scores in the organization. As CHOC continues to innovate ways of embedding our healthcare services within the communities we serve, we are eager to expand upon the long-standing successes of the Breathmobile Program by augmenting its services with a leading-edge delivery model and philosophy, Wellness on Wheels (WoW).

WHERE WE ARE GOING: COMPREHENSIVE EDUCATIONAL MODEL

Through CHOC's Wellness on Wheels (WoW) Program, we will implement a thoughtfully designed, comprehensive service model that aims to promote overall physical and psychosocial wellness. Our coordinated care will be centered around fitness and nutrition education; psychosocial screening and referral; developmental screenings and connection with early intervention; promotion of economic stability and financial wellness; and connections to CHOC experts across multiple domains. Additionally, the WoW Program, led by seasoned CHOC Pediatrician Dr. Olga Guijon, will visit neighborhoods where Orange County's most underserved families live. WoW will also address persistent access gaps through targeted deployment of key services advanced by a comprehensive Promotora model. Our Promotora, or community health worker, will better serve the communities in our care by focusing on the intergenerational health of families through addressing the unmet needs of parents and children alike. Through screening, assessment, and referral, the care coordination advanced by the WoW Program will afford families a comprehensive constellation of supports.

JOIN THE JOURNEY: RSCCD & CHOC

A partnership between CHOC and Rancho Santiago Community College District can help alleviate health disparities in Orange County, while helping RSCCD students gain valuable hands on experience. We respectfully request your consideration of a \$50,000/year commitment for 3 years (2021-2024) to build upon an impactful partnership, which includes the following components:

- Through a "Health Coach" model, your students will help CHOC staff members enhance the wellness of individuals from a more holistic perspective. They will help families navigate a variety of health concerns while focusing on prevention, education, coaching, and goal setting;
- We will utilize RSCCD locations for the WoW program and community outreach efforts;
- Create co-branding/marketing opportunities;
- Develop outreach endeavors within the WoW model that will help RSCCD with increased enrollment efforts at the colleges;
- Provide additional internship opportunities for students throughout the year (at other CHOC departments).

As we look ahead, your generosity will play a critical role in helping more families overcome obstacles, while providing meaningful experiences for your students. What a promising future for all! *Thank you* for your time and consideration.

Rancho Santiago Community College District
Fiscal Year: 2021

District Foundation
Balance Sheet
Year to Date Ending 11/30/2020

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
ASSETS			
Cash and Equivalents	\$ 317,591.85	\$ 204,314.75	\$ 521,906.60
Total Assets	\$ 317,591.85	\$ 204,314.75	\$ 521,906.60
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
NET ASSETS	\$ 317,591.85	\$ 204,314.75	\$ 521,906.60
Total Liabilities and Net Assets	\$ 317,591.85	\$ 204,314.75	\$ 521,906.60

**District Foundation
Income Statement
Year to Date Ending 11/30/2020**

	<u>Unrestricted Fund 91, 92</u>	<u>Temporarily Restricted Fund 97</u>	<u>Total All Funds</u>
REVENUES			
Contributions, Gifts, Donations	\$ -	\$ 2,000.00	\$ 2,000.00
Contracted Services Revenues	800.00	-	800.00
Management Fees Revenue	200.00	-	200.00
Interest on Banks	1,153.93	-	1,153.93
Total Revenues	\$ 2,153.93	\$ 2,000.00	\$ 4,153.93
EXPENDITURES			
SBDC Program	\$ -	\$ 36,000.00	\$ 36,000.00
Sponsorships	1,500.00	-	1,500.00
Management Fees	-	200.00	200.00
Total Expenditures	\$ 1,500.00	\$ 36,200.00	\$ 37,700.00
Revenues Over (Under) Expenditure	\$ 653.93	\$ (34,200.00)	\$ (33,546.07)
Beginning Net Asset Balance	\$ 316,937.92	\$ 238,514.75	\$ 555,452.67
Ending Net Asset Balance	\$ 317,591.85	\$ 204,314.75	\$ 521,906.60

SUMMARY OF ACTIVITIES:

RESTRICTED REVENUES

Contributions, Gifts, Donations

The Foundation received \$2,000 from CDC Small Business Finance in October 2020 for the SBDC. This restricted contribution was recorded in the Temporarily Restricted Fund.

UNRESTRICTED REVENUES

Contracted Revenue

The Foundation generated \$800 from contract education. Training services were provided to Teletrac Navman.

Contributions, Gifts, Donations

The Foundation's management fee is currently 10% and is applied to all restricted contributions. Management fee revenue of \$200 from the CDC Small Business Finance contribution was recognized and recorded as revenue in the Unrestricted Fund. The expense was recorded in the Temporarily Restricted Fund.

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$1,153.93 from July 1, 2020 through November 30, 2020.

DISBURSEMENTS

	<u>Fund 91, 92</u>	<u>Fund 97</u>
SBDC Program	\$ -	\$ 36,000.00
Management Fee	-	200.00
Sponsorship at Candidates Forum	1,500.00	-
Total Disbursements:	\$ 1,500.00	\$ 36,200.00

Rancho Santiago Community College District
Fiscal Year: 2021

District Foundation
Balance Sheet
Year to Date Ending 12/31/2020

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
ASSETS			
Cash and Equivalents	\$ 312,812.18	\$ 204,314.75	\$ 517,126.93
Total Assets	\$ 312,812.18	\$ 204,314.75	\$ 517,126.93
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
NET ASSETS	\$ 312,812.18	\$ 204,314.75	\$ 517,126.93
Total Liabilities and Net Assets	\$ 312,812.18	\$ 204,314.75	\$ 517,126.93

**District Foundation
Income Statement
Year to Date Ending 12/31/2020**

	<u>Unrestricted Fund 91, 92</u>	<u>Temporarily Restricted Fund 97</u>	<u>Total All Funds</u>
REVENUES			
Contributions, Gifts, Donations	\$ -	\$ 2,000.00	\$ 2,000.00
Contracted Services Revenues	800.00	-	800.00
Management Fees Revenue	200.00	-	200.00
Interest on Banks	1,374.26	-	1,374.26
Total Revenues	\$ 2,374.26	\$ 2,000.00	\$ 4,374.26
EXPENDITURES			
SBDC Program	\$ -	\$ 36,000.00	\$ 36,000.00
Sponsorships	6,500.00	-	6,500.00
Management Fees	-	200.00	200.00
Total Expenditures	\$ 6,500.00	\$ 36,200.00	\$ 42,700.00
Revenues Over (Under) Expenditure	\$ (4,125.74)	\$ (34,200.00)	\$ (38,325.74)
Beginning Net Asset Balance	\$ 316,937.92	\$ 238,514.75	\$ 555,452.67
Ending Net Asset Balance	\$ 312,812.18	\$ 204,314.75	\$ 517,126.93

SUMMARY OF ACTIVITIES:

RESTRICTED REVENUES

Contributions, Gifts, Donations

The Foundation received \$2,000 from CDC Small Business Finance in October 2020 for the SBDC. This restricted contribution was recorded in the Temporarily Restricted Fund.

UNRESTRICTED REVENUES

Contracted Revenue

The Foundation generated \$800 from contract education. Training services were provided to Teletrac Navman.

Contributions, Gifts, Donations

The Foundation's management fee is currently 10% and is applied to all restricted contributions. Management fee revenue of \$200 from the CDC Small Business Finance contribution was recognized and recorded as revenue in the Unrestricted Fund. The expense was recorded in the Temporarily Restricted Fund.

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$1,374.26 from July 1, 2020 through December 31, 2020.

DISBURSEMENTS

	<u>Fund 91, 92</u>	<u>Fund 97</u>
SBDC Program	\$ -	\$ 36,000.00
Management Fee	-	200.00
Sponsorship at Candidates Forum	1,500.00	-
Sponsorship at Virtual State of the City	5,000.00	-
Total Disbursements:	\$ 6,500.00	\$ 36,200.00

Rancho Santiago Community College District
Fiscal Year: 2021

District Foundation
Balance Sheet
Year to Date Ending 01/31/2021

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
ASSETS			
Cash and Equivalents	\$ 313,032.43	\$ 204,314.75	\$ 517,347.18
Total Assets	\$ 313,032.43	\$ 204,314.75	\$ 517,347.18
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
NET ASSETS	\$ 313,032.43	\$ 204,314.75	\$ 517,347.18
Total Liabilities and Net Assets	\$ 313,032.43	\$ 204,314.75	\$ 517,347.18

**District Foundation
Income Statement
Year to Date Ending 01/31/2021**

	<u>Unrestricted Fund 91, 92</u>	<u>Temporarily Restricted Fund 97</u>	<u>Total All Funds</u>
REVENUES			
Contributions, Gifts, Donations	\$ -	\$ 2,000.00	\$ 2,000.00
Contracted Services Revenues	800.00	-	800.00
Management Fees Revenue	200.00	-	200.00
Interest on Banks	1,594.51	-	1,594.51
Total Revenues	\$ 2,594.51	\$ 2,000.00	\$ 4,594.51
EXPENDITURES			
SBDC Program	\$ -	\$ 36,000.00	\$ 36,000.00
Sponsorships	6,500.00	-	6,500.00
Management Fees	-	200.00	200.00
Total Expenditures	\$ 6,500.00	\$ 36,200.00	\$ 42,700.00
Revenues Over (Under) Expenditure	\$ (3,905.49)	\$ (34,200.00)	\$ (38,105.49)
Beginning Net Asset Balance	\$ 316,937.92	\$ 238,514.75	\$ 555,452.67
Ending Net Asset Balance	\$ 313,032.43	\$ 204,314.75	\$ 517,347.18

SUMMARY OF ACTIVITIES:

RESTRICTED REVENUES

Contributions, Gifts, Donations

The Foundation received \$2,000 from CDC Small Business Finance in October 2020 for the SBDC. This restricted contribution was recorded in the Temporarily Restricted Fund.

UNRESTRICTED REVENUES

Contracted Revenue

The Foundation generated \$800 from contract education. Training services were provided to Teletrac Navman.

Contributions, Gifts, Donations

The Foundation's management fee is currently 10% and is applied to all restricted contributions. Management fee revenue of \$200 from the CDC Small Business Finance contribution was recognized and recorded as revenue in the Unrestricted Fund. The expense was recorded in the Temporarily Restricted Fund.

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$1,594.51 from July 1, 2020 through January 31, 2021.

DISBURSEMENTS

	<u>Fund 91, 92</u>	<u>Fund 97</u>
SBDC Program	\$ -	\$ 36,000.00
Management Fee	-	200.00
Sponsorship at Candidates Forum	1,500.00	-
Sponsorship at Virtual State of the City	5,000.00	-
Total Disbursements:	\$ 6,500.00	\$ 36,200.00

December 14, 2020

Mr. Enrique Perez
Executive Director
Rancho Santiago Community College - District Foundation
2323 N. Broadway
Santa Ana, CA 92706


Dear Enrique,


Since F&M Bank's founding in 1907, we have been grounded and guided by the high morals and Christian principles of our founder, C.J. Walker. It was his firm conviction that F&M Bank should dedicate itself to serving the needs of its community forevermore, and should provide its support to religious and humanitarian institutions. We, the succeeding generations of F&M management have not only proudly adhered to our founder's principles, we have ensured that his philosophy of giving will continue by constantly adding to the financial strength of F&M Bank. Today we are acknowledged as one of the safest banks in the nation, and *California's Strongest*, because you have honored us with the sacred trust of keeping your money safe.

There has always been and will continue to be a strong bond that only neighbors like us can share, and we are truly blessed to call you friends of F&M Bank. Therefore, it is our sincere honor and pleasure to enclose this gift in appreciation for your contributions to the community, and to enable you to continue serving those in need. We would enjoy hearing about the help and joy that these funds might bring, so that we may enjoy the feelings with you.

May we extend to you and those you touch our sincere blessings and warmest good wishes for a prosperous New Year. Thank you for the opportunity we have together to make a difference in our community.

Sincerely,


Daniel K. Walker
Chairman of the Board & CEO


W. Henry Walker
President


John W.H. Hinrichs
Chief Financial Officer


Phil Bond
Chief Credit Officer


Melissa Lanfre
Chief Operating Officer


Kevin M. Tiber
Investment Officer



Farmers & Merchants Bank of Long Beach
302 Pine Avenue, Long Beach, CA 90802

90-119
1222

126621

DATE 12/14/2020

EXPENSE CHECK

ACCOUNT NUMBER

126621

SEVEN HUNDRED FIFTY and 00/100*****

AMOUNT

\$750.00

PAY
TO
THE
ORDER OF

Rancho Santiago Community College
District Foundation
2323 N. Broadway
Santa Ana, CA 92706


AUTHORIZED SIGNATURE

SAFEGUARD SEC U
SAFEGUARD SEC U

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Financial Statements

June 30, 2020 (With Summarized totals for 2019)

**Rancho Santiago Community College
District Foundation**

Rancho Santiago Community College District Foundation

Table of Contents

June 30, 2020

Independent Auditor’s Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
Statement of Functional Expenses.....	6
Notes to Financial Statements	7



Independent Auditor's Report

The Board of Directors
Rancho Santiago Community College District Foundation
Santa Ana, California

Report on the Financial Statements

We have audited the accompanying financial statements of Rancho Santiago Community College District Foundation (the Foundation) (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rancho Santiago Community College District Foundation as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the June 30, 2019 financial statements of Rancho Santiago Community College District Foundation, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Handwritten signature in cursive script that reads "Eric Bailly LLP".

Rancho Cucamonga, California
February 12, 2021

Rancho Santiago Community College District Foundation

Statement of Financial Position

June 30, 2020

(With Summarized Totals for 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 547,484	\$ 699,679
Accounts receivable	-	40,000
Accounts receivable - related party	<u>12,238</u>	<u>4,328</u>
Total current assets	<u><u>\$ 559,722</u></u>	<u><u>\$ 744,007</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	<u>\$ 4,269</u>	<u>\$ 4,897</u>
Net Assets		
Without donor restrictions	316,938	500,595
With donor restrictions	<u>238,515</u>	<u>238,515</u>
Total net assets	<u>555,453</u>	<u>739,110</u>
Total liabilities and net assets	<u><u>\$ 559,722</u></u>	<u><u>\$ 744,007</u></u>

Rancho Santiago Community College District Foundation

Statement of Activities

Year Ended June 30, 2020

(With Summarized Totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues				
Contributions	\$ 2,500	\$ -	\$ 2,500	\$ 94,500
Contracted services	1,035	-	1,035	400,429
Donated salaries and benefits	64,839	-	64,839	18,921
	<u>68,374</u>	<u>-</u>	<u>68,374</u>	<u>513,850</u>
Expenses				
Program services	157,132	-	157,132	7,239
Management and general	98,471	-	98,471	26,158
	<u>255,603</u>	<u>-</u>	<u>255,603</u>	<u>33,397</u>
Other Income				
Interest	3,572	-	3,572	1,085
	<u>(183,657)</u>	<u>-</u>	<u>(183,657)</u>	<u>481,538</u>
Change in Net Assets				
Net Assets, Beginning of Year	500,595	238,515	739,110	257,572
Net Assets, End of Year	<u>\$ 316,938</u>	<u>\$ 238,515</u>	<u>\$ 555,453</u>	<u>\$ 739,110</u>

Rancho Santiago Community College District Foundation

Statement of Cash Flows

Year Ended June 30, 2020

(With Summarized Totals for 2019)

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ (183,657)	\$ 481,538
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	40,000	(40,000)
Accounts receivable - related party	(7,910)	182
Inventory	-	523
Accounts payable	(628)	(306)
	(152,195)	441,937
Net Cash Flows from Operating Activities		
	699,679	257,742
Cash and Cash Equivalents, Beginning of Year		
	\$ 547,484	\$ 699,679
Cash and Cash Equivalents, End of Year	\$ 547,484	\$ 699,679

Rancho Santiago Community College District Foundation
 Statement of Functional Expenses
 Year Ended June 30, 2020
 (With Summarized Totals for 2019)

	2020		2019	
	Program	Management and General	Total	Total
Donated salaries and benefits	\$ -	\$ 64,839	\$ 64,839	\$ 18,921
Foundation scholarships/Grants	140,000	-	140,000	-
Sponsorships	15,750	-	15,750	5,750
Professional services	-	13,847	13,847	6,520
Bank/Credit card use fees	-	-	-	30
Other licenses and fees	-	75	75	80
Contracted services	1,382	-	1,382	989
Awards	-	-	-	500
Supplies	-	210	210	607
Other expenses	-	19,500	19,500	-
Total expenses	\$ 157,132	\$ 98,471	\$ 255,603	\$ 33,397

Note 1 - Nature of Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

Rancho Santiago Community College District Foundation (the Foundation) is a nonprofit organization founded in 1998 for the purpose of receiving contributions for the support and advancement of education on behalf of Rancho Santiago Community College District (the District). The primary purpose of the Foundation is to enhance the economic development of their region and to generate revenue to supplement the resources of the District and its two colleges, Santa Ana College and Santiago Canyon College.

Financial Statement Presentation

The Foundation and the District are financial interrelated organizations as defined by ASC Topic 958-605, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. Under ASC Topic 958-605, the Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) has established the ASC as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. The financial statements include the accounts maintained by and directly under the control of the Foundation. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Foundation's audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 donor restrictions are perpetual in nature, where the donor 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 statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Foundation receives substantially all of its revenue from direct donations, pledges, corporate grants, and contracted services. Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor, either without or with restrictions. The Foundation reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about how the contributions are to be spent, the Foundation reports these contributions as without donor restrictions. The Foundation records special events revenue equal to the cost of direct benefit to donors, and contribution revenue for the difference.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Donated Assets, Services, and Facilities

The Foundation records the value of donated assets, services, and facilities when there is an objective basis available to measure their value. Donated services are recorded as contributions at the estimated fair value that the Foundation would have otherwise paid for the same service. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation and fair market value of facilities for the year. Donated assets are capitalized at the stated donated value and depreciated in accordance with Foundation policies, unless they are passed through to the District.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the Foundation to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Income Taxes

The Foundation is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Foundation's Federal informational tax returns are no longer subject to tax examinations for the years before June 30, 2017. California State informational returns are no longer subject to tax examinations for the years before June 30, 2016.

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in an interest bearing checking account. The Foundation maintains cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020 and 2019, the Foundation had cash balances in financial institutions in excess of FDIC in the amount of \$322,011 and \$452,063, respectively.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for reimbursements for contracted services. Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision of bad debts. At June 30, 2020 and 2019, management has deemed all amounts as collectible; therefore, no allowance for doubtful accounts is considered necessary.

Functional Allocation of Expenses

The costs of providing program and supporting services activities have been summarized on a functional basis in statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, there are no shared costs among the program and supporting services that require allocation.

Administrative Fee

Contributions with donor restrictions received by the Foundation are subject to a ten percent administrative fee of the value of the contributed asset. Revenues received from these related fees are used by the Foundation to further advancement efforts on behalf of the Rancho Santiago Community College District.

Change in Accounting Principle

The Foundation has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received. ASU 2018-08 includes a second provision for entities that serve as a resource provider and are making contributions to other organizations. This portion of the standard has a later implementation date and is effective for entities with annual periods beginning after December 15, 2019, and will be implemented at that time. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the Foundation in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2019, the Foundation has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management has determined that the adoption of this standard did not have a significant impact on the Foundation's financial statements.

Recent Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. 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. Although the full impact of this update 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.

The ASU is effective for the Foundation for the year ended June 30, 2022. Management is evaluating the impact of the adoption of this standard.

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Topic 606 is effective for the Foundation for the year ended June 30, 2021. Management is evaluating the impact of the adoption of this standard.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position comprise of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	<u>\$ 308,969</u>	<u>\$ 497,164</u>

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. District staff on behalf of the Foundation management monitor daily cash balances.

Additionally, on behalf of the Foundation, the District has implemented cash management procedures, that include the monthly reconciliation of banked cash deposits and disbursements to related receipts and disbursement records.

Note 3 - Restrictions on Net Asset Balances

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

	<u>2020</u>	<u>2019</u>
Various donor-restricted funds	<u>\$ 238,515</u>	<u>\$ 238,515</u>

Note 4 - Related Party Transactions

Rancho Santiago Community College District

During the year, Rancho Santiago Community College District (the District) staff and administrators donate significant amounts of time and services to the Foundation in an effort to advance the programs and objectives of the Foundation. As of June 30, 2020 and 2019, the Foundation recognized \$64,839 and \$18,921, respectively, in the financial statements as donated salaries and benefits. In addition, office space and other District services were provided by the District. The value of the donated space and donated indirect cost has not been determined and is not recognized in the financial statements. The Foundation bills the District for reimbursement of contracted services paid for on behalf of the District. Accordingly, at June 30, 2020 and 2019, the District owed the Foundation \$12,238 and \$4,328, respectively.

Santiago Canyon College Foundation

Santiago Canyon College Foundation (SCC Foundation) provides services for the Foundation in the form of passing through scholarships and grants issued by the Foundation to students. These scholarships are recorded in the Foundation financials under program expenses. As of June 30, 2020 and 2019, \$28,000 and \$0 was passed through to SCC Foundation for student scholarships and grants.

Santa Ana College Foundation

Santa Ana College Foundation (SAC Foundation) provides services for the Foundation in the form of passing through scholarships and grants issued by the Foundation to students. These scholarships are recorded in the Foundation financials under program expenses. As of June 30, 2020 and 2019, \$82,000 and \$0 was passed through to SAC Foundation for student scholarships and grants.

Note 5 - Subsequent Events

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from June 30, 2020 through February 12, 2021, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

Subsequent to year end, the Foundation has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Foundation is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the Foundation financial position is not known.