



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

MINUTES

Tuesday, December 7, 2021 - 8 am – in person

Board Room #107

Rancho Santiago Community College District
2323 North Broadway, Santa Ana, California 92706

I. CALL TO ORDER

Mr. Marquez called the meeting to order at 8:16am.

II. ROLL CALL

Present: Juan M. Gonzalez, John M. Gutierrez, Eddie Marquez, Sal Tinajero, Marvin Martinez, Dr. Marilyn Flores, Dr. Pamela Ralston, Iris Ingram, Enrique Perez

Guest: Ruth Cossio-Muniz

Ms. Patricia Duenez present as record keeper.

Introductions were made by all members; June was last meeting. New members present Mr. Gonzalez, Mr. Gutierrez and Ms. Ingram's first meeting.

III. APPROVAL OF THE AGENDA

Action may be taken by the Board of Directors on any item listed on this Agenda.

A. Amendments and Corrections (if any)

None made.

B. Approval of Agenda

It was moved by Mr. Martinez; seconded by Mr. Tinajero and, by roll call vote, carried unanimously to approve the December 7, 2021 meeting agenda.

IV. APPROVAL OF MINUTES–June 8, 2021 Annual & June 8, 2021 Regular Board Meetings*

A. Corrections (if any)

None made.

B. Approval of the Minutes

It was moved by Mr. Martinez; seconded by Mr. Tinajero and, by roll call vote, carried unanimously with an abstention from Mr. Gonzalez and Mr. Gutierrez to approve the June 8, 2021 annual and June 8, 2021 regular meeting minutes.

V. PUBLIC COMMENTS

No public comments were made.

VI. EXECUTIVE DIRECTOR'S REPORT

FOUNDATION BOARD MEMBERS:

Juan M. Gonzalez • John M. Gutierrez • Todd O. Litfin • Eddie Marquez • Andrew Patterson • Sal Tinajero

Ex-Officio Voting Members: Marvin Martinez

Ex-Officio Non Voting Members: James Isbell • Dr. Marilyn Flores • Dr. Pamela Ralston • Craig Rutan

Staff: Iris Ingram • Enrique Perez

- A. Update on the Capability Building Contract between the Rancho Santiago Community College District Foundation and the Colleges of Excellence Company
Mr. Perez provided history of contract and update; final payment of \$400,000 expected before March meeting. Al Khaleej has provided requested information.
- B. Board Membership
Mr. Perez reported on recruitment efforts, on agenda is approval of new board member; possible new members for approval at March meeting. Current membership stands at 7 members. Board members are encouraged to forward Mr. Perez recommendations for new members.
- C. Forensics Update
Mr. Perez provided history of Forensics efforts with a Districtwide team to grow program; looking at data of what SAUSD is doing. Consultant contracted to review and suggest investments to grow program; will provide report at March meeting.
Mr. Tinajero reported we have a strong team, on most recent wins and next competitions.
Mr. Perez expressed appreciation to Mr. Tinajero for being a great advocate to program.

VII. COLLEGE PRESIDENT'S REPORT

Dr. Flores reported on activities since June meeting; monitoring student behavior during pandemic, outreach efforts, offering different modalities; partnership with Northgate and ABC Spark of Love for toy drive. Donations from Chase family of 1.5 mil.

Mr. Martinez reported on enrollment; our district growth compared to surrounding districts, noncredit growth and increased number of students incoming compared to last year; reclaiming students previously lost.

Mr. Perez reported on catering to adult students with increased online/remote learning; surveys sent out, industry roundtables scheduled.

Mr. Gutierrez spoke on need for addressing mental health issues in the health sector.

Dr. Flores reported changes to curriculum and learning domains; in process of creating certificate programs for ex. Culinary Program. Expressed appreciation to faculty for monitoring and having a presence on campus, an all hands on deck mentality.

Ms. Cossio-Muniz reported on behalf of Dr. Ralston; holiday concert sold out, more events being held in person, ASG activities with counselors related to mental health; golf tournament rescheduled to March 18, 2022. Invited board to attend; will forward link to Ms. Duenez.

Mr. Gutierrez encouraged Ms. Cossio-Muniz to reach out to him for resources on grief support. Ms. Cossio-Muniz will forward information to ASG. Reported on clinic for COVID booster; Forensics Team 5 students placed for awards with 1st and 2nd place being female and a \$15,000 donation made for Student Veterans Resource Center.

VIII. APPROVAL OF TREASURER'S REPORTS

- A. Treasurer's Reports – May, June, July, August, September, October 2021 (action to approve only).*

Ms. Ingram reported on treasurer's reports; clarified reports for approval are May, June, July, Aug., Sept., and Oct. only. The February, March, April reports were approved at the June meeting.

It was moved by Mr. Tinajero; seconded by Mr. Gonzalez, and by roll call vote, carried unanimously to approve the May, June, July, Aug., Sept., and Oct. Treasurers Reports.

IX. ITEMS FOR DISCUSSION AND/OR ACTION

- A. Approval of new board member Marianela Silva, First President-Investment Officer, Wells Fargo Advisors beginning December 8, 2021 for a term of 3 years (for discussion and/or action).*

It was moved by Mr. Gutierrez; seconded by Mr. Tinajero, and by roll call vote, carried unanimously to approve new board member Marianela Silva.

- B. Accept donation check from SchoolsFirst Credit Union Bank for \$500.00 (for discussion and/or action).*

It was moved by Mr. Tinajero; seconded by Mr. Martinez, and by roll call vote, carried unanimously to accept the donation check from SchoolsFirst Credit Union Bank.

- C. Approval of check to recipient of 2021 RSCCD District Operations Classified Employee of the Year (for discussion and/or action).*

It was moved by Mr. Gonzalez; seconded by Mr. Tinajero, and by roll call vote, carried unanimously to approve the check to the 2021 RSCCD District Operations Classified Employee of the Year.

- D. Approval of check to recipient of 2021 RSCCD Diversity Award (for discussion and/or action).*

Mr. Perez reported this would be an annual award.

It was moved by Mr. Tinajero; seconded by Mr. Gutierrez, and by roll call vote, carried unanimously to approve the check to recipient of 2021 RSCCD Diversity Award.

X. BOARD MEMBER COMMENTS

Mr. Gonzalez expressed appreciation to board; Mr. Gutierrez invited members to an event the following day, will forward invitation to Ms. Duenez to send to board. Ms. Duenez will send Board other activities and events as

Mr. Martinez invited members to the Dec. 16 Community event; Ms. Duenez will forward invitation.

XI. FUTURE MEETINGS

Next meeting scheduled for Tuesday, March 1, 2022 at 8am.

XII. OTHER

For next 12 months, board prefers option of holding meetings virtually, hybrid or in person.

XIII. ADJOURNMENT

The next regular meeting of the Board of Directors will be held on March 1, 2022 at 2323 North Broadway, Santa Ana, California 92706.

Mr. Marquez declared the meeting adjourned at 9:04am.

**supporting information attached*

Minutes Approved: March 1, 2022

Rancho Santiago Community College District
Fiscal Year: 2022

District Foundation
Balance Sheet
Year to Date Ending 11/30/2021

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
ASSETS			
Cash and Equivalents	\$ 297,321.77	\$ 204,314.75	\$ 501,636.52
Total Assets	\$ 297,321.77	\$ 204,314.75	\$ 501,636.52
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
NET ASSETS	\$ 297,321.77	\$ 204,314.75	\$ 501,636.52
Total Liabilities and Net Assets	\$ 297,321.77	\$ 204,314.75	\$ 501,636.52

Rancho Santiago Community College District
Fiscal Year: 2022

District Foundation
Income Statement
Year to Date Ending 11/30/2021

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
REVENUES			
Interest on Banks	\$ 1,061.22	\$ -	1,061.22
Total Revenues	\$ 1,061.22	\$ -	\$ 1,061.22
EXPENDITURES			
Sponsorships	\$ 9,200.00	\$ -	\$ 9,200.00
Awards	1,000.00	-	1,000.00
Total Expenditures	\$ 10,200.00	\$ -	\$ 10,200.00
Revenues Over (Under) Expenditure	\$ (9,138.78)	\$ -	\$ (9,138.78)
Beginning Net Asset Balance	\$ 306,460.55	\$ 204,314.75	\$ 510,775.30
Ending Net Asset Balance	\$ 297,321.77	\$ 204,314.75	\$ 501,636.52

SUMMARY OF ACTIVITIES:

UNRESTRICTED REVENUES

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$1061.22 from July 1, 2021 through November 30, 2021.

DISBURSEMENTS

	Fund 91, 92	Fund 97
Sponsorship at Vision Makers Breakfast	\$ 300.00	\$ -
Sponsorship at State of the City	8,500.00	-
RSCCD Diversity Award (Junko Ishikawa)	1,000.00	-
Sponsorship at 2021 Somos HEEF	400.00	-
Total Disbursements:	\$ 10,200.00	\$ -

Rancho Santiago Community College District
Fiscal Year: 2022

District Foundation
Balance Sheet
Year to Date Ending 12/31/2021

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
ASSETS			
Cash and Equivalents	\$ 292,334.79	\$ 204,314.75	\$ 496,649.54
Total Assets	\$ 292,334.79	\$ 204,314.75	\$ 496,649.54
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
NET ASSETS	\$ 292,334.79	\$ 204,314.75	\$ 496,649.54
Total Liabilities and Net Assets	\$ 292,334.79	\$ 204,314.75	\$ 496,649.54

**District Foundation
 Income Statement
 Year to Date Ending 12/31/2021**

	<u>Unrestricted Fund 91, 92</u>	<u>Temporarily Restricted Fund 97</u>	<u>Total All Funds</u>
REVENUES			
Interest on Banks	\$ 1,274.24	\$ -	1,274.24
Total Revenues	\$ 1,274.24	\$ -	\$ 1,274.24
EXPENDITURES			
Sponsorships	\$ 9,200.00	\$ -	\$ 9,200.00
Awards	1,000.00	-	1,000.00
Audit Fees	5,200.00	-	5,200.00
Total Expenditures	\$ 15,400.00	\$ -	\$ 15,400.00
Revenues Over (Under) Expenditure	\$ (14,125.76)	\$ -	\$ (14,125.76)
Beginning Net Asset Balance	\$ 306,460.55	\$ 204,314.75	\$ 510,775.30
Ending Net Asset Balance	\$ 292,334.79	\$ 204,314.75	\$ 496,649.54

SUMMARY OF ACTIVITIES:

UNRESTRICTED REVENUES

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$1,274.24 from July 1, 2021 through December 31, 2021.

DISBURSEMENTS

	<u>Fund 91, 92</u>	<u>Fund 97</u>
Sponsorship at Vision Makers Breakfast	\$ 300.00	\$ -
Sponsorship at State of the City	8,500.00	-
RSCCD Diversity Award (Junko Ishikawa)	1,000.00	-
Sponsorship at 2021 Somos HEEF	400.00	-
Eide Bailly LLP Audit Fees	5,200.00	-
Total Disbursements:	\$ 15,400.00	\$ -

Rancho Santiago Community College District
Fiscal Year: 2022

District Foundation
Balance Sheet
Year to Date Ending 01/31/2022

	Unrestricted Fund 91, 92	Temporarily Restricted Fund 97	Total All Funds
ASSETS			
Cash and Equivalents	\$ 292,545.84	\$ 204,314.75	\$ 496,860.59
Total Assets	\$ 292,545.84	\$ 204,314.75	\$ 496,860.59
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
NET ASSETS	\$ 292,545.84	\$ 204,314.75	\$ 496,860.59
Total Liabilities and Net Assets	\$ 292,545.84	\$ 204,314.75	\$ 496,860.59

**District Foundation
 Income Statement
 Year to Date Ending 01/31/2022**

	<u>Unrestricted Fund 91, 92</u>	<u>Temporarily Restricted Fund 97</u>	<u>Total All Funds</u>
REVENUES			
Interest on Banks	\$ 1,485.29	\$ -	1,485.29
Total Revenues	\$ 1,485.29	\$ -	\$ 1,485.29
EXPENDITURES			
Sponsorships	\$ 9,200.00	\$ -	\$ 9,200.00
Awards	1,000.00	-	1,000.00
Audit Fees	5,200.00	-	5,200.00
Total Expenditures	\$ 15,400.00	\$ -	\$ 15,400.00
Revenues Over (Under) Expenditure	\$ (13,914.71)	\$ -	\$ (13,914.71)
Beginning Net Asset Balance	\$ 306,460.55	\$ 204,314.75	\$ 510,775.30
Ending Net Asset Balance	\$ 292,545.84	\$ 204,314.75	\$ 496,860.59

SUMMARY OF ACTIVITIES:

UNRESTRICTED REVENUES

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$1,485.29 from July 1, 2021 through January 31, 2022.

DISBURSEMENTS

	<u>Fund 91, 92</u>	<u>Fund 97</u>
Sponsorship at Vision Makers Breakfast	\$ 300.00	\$ -
Sponsorship at State of the City	8,500.00	-
RSCCD Diversity Award (Junko Ishikawa)	1,000.00	-
Sponsorship at 2021 Somos HEEF	400.00	-
Eide Bailly LLP Audit Fees	5,200.00	-
Total Disbursements:	\$ 15,400.00	\$ -



December 3, 2021

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

We have audited the financial statements of Rancho Santiago Community College District Foundation (the Foundation), as of and for the year ended June 30, 2021, and have issued our report thereon dated December 3, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated July 9, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. The Foundation has adopted FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, using the full retrospective approach. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statements disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated December 3, 2021.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

Eide Bailly LLP

Rancho Cucamonga, California



Financial Statements

June 30, 2021 (With Summarized Totals for 2020)

**Rancho Santiago Community College
District Foundation**

Rancho Santiago Community College District Foundation

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June 30, 2021

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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, 2021, 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, 2021, 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, 2020 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 February 12, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 3, 2021

Rancho Santiago Community College District Foundation
 Statement of Financial Position
 June 30, 2021
 (With Summarized Totals for 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 510,775	\$ 547,484
Accounts receivable - related party	<u>-</u>	<u>12,238</u>
Total current assets	<u>\$ 510,775</u>	<u>\$ 559,722</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 4,269</u>
Net Assets		
Without donor restrictions	306,460	316,938
With donor restrictions	<u>204,315</u>	<u>238,515</u>
Total net assets	<u>510,775</u>	<u>555,453</u>
Total liabilities and net assets	<u>\$ 510,775</u>	<u>\$ 559,722</u>

Rancho Santiago Community College District Foundation

Statement of Activities

Year Ended June 30, 2021

(With Summarized Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues				
Contributions	\$ 750	\$ 3,250	\$ 4,000	\$ 2,500
Contracted services	800	-	800	1,035
Donated salaries and benefits	53,668	-	53,668	64,839
Assets released from restrictions	37,450	(37,450)	-	-
Total revenues	92,668	(34,200)	58,468	68,374
Expenses				
Program services	46,710	-	46,710	157,132
Management and general	59,090	-	59,090	98,471
Total expenses	105,800	-	105,800	255,603
Other Income				
Interest	2,654	-	2,654	3,572
Change in Net Assets	(10,478)	(34,200)	(44,678)	(183,657)
Net Assets, Beginning of Year	316,938	238,515	555,453	739,110
Net Assets, End of Year	\$ 306,460	\$ 204,315	\$ 510,775	\$ 555,453

Rancho Santiago Community College District Foundation
 Statement of Cash Flows
 Year Ended June 30, 2021
 (With Summarized Totals for 2020)

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ (44,678)	\$ (183,657)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	-	40,000
Accounts receivable - related party	12,238	(7,910)
Accounts payable	(4,269)	(628)
	(36,709)	(152,195)
Net Cash Flows from Operating Activities		
Cash and Cash Equivalents, Beginning of Year	547,484	699,679
Cash and Cash Equivalents, End of Year	\$ 510,775	\$ 547,484

Rancho Santiago Community College District Foundation
 Statement of Functional Expenses
 Year Ended June 30, 2021
 (With Summarized Totals for 2020)

	2021			2020
	Program	Management and General	Total	Total
Donated salaries and benefits	\$ -	\$ 53,668	\$ 53,668	\$ 64,839
Foundation scholarships/Grants	-	-	-	140,000
Foundation funded programs	36,675	-	36,675	-
Sponsorships	8,500	-	8,500	15,750
Professional services	-	5,402	5,402	13,847
Dues, memberships, and subscriptions	1,035	-	1,035	-
Other licenses and fees	-	20	20	75
Contracted services	-	-	-	1,382
Awards	500	-	500	-
Supplies	-	-	-	210
Other expenses	-	-	-	19,500
Total expenses	\$ 46,710	\$ 59,090	\$ 105,800	\$ 255,603

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 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 Accounting Standards Codification (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.

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.

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, 2020, 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 without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation.

Net Assets with Donor Restrictions - Net assets 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

In May 2014, the FASB issued guidance ASC 606, *Revenue from Contracts with Customers* which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Foundation adopted ASC 606 with a date of the initial application of July 1, 2020, using the full-retrospective method.

As part of the adoption of ASC 606, the Foundation elected to use the following transition practical expedients: (1) revenue from contracts which begin and end in the same fiscal year has not been restated; (2) hindsight was used when determining the transaction price for contracts that include variable consideration, rather than estimating variable consideration amounts in the comparative reporting period; (3) the amount of transaction price allocated to unsatisfied performance obligations and when those amounts are expected to be recognized, for the reporting periods prior to the date of initial application of the guidance, have not been disclosed; and (4) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate.

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions. Contracted service revenue is recognized at a point in time when the services have been rendered and the performance obligation has been met.

The adoption of ASC 606 did not have a significant impact on the Foundation's statement of financial position, results of its activities, or cash flows. The Foundation's revenue arrangements generally consist of a single performance obligation to transfer services. There are no significant contract assets, accounts receivable, or contract liabilities associated with these revenue streams. Based on the Foundation's evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated services are recorded at the respective fair values of the services received (Note 4). No significant contributions of such goods were received during the year ended June 30, 2021.

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 charitable, not-for-profit, tax-exempt organization qualified under provisions of 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. There was no unrelated business activity income for the year ended June 30, 2021.

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) limits. Deposit concentration risk is managed by placing cash balances with financial institutions believed by the Foundation to be creditworthy. Management believes credit risk is limited.

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.

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:

Cash and cash equivalents	<u>\$ 306,460</u>
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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, 2021:

Various donor-restricted funds	<u>\$ 204,315</u>
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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, 2021, the Foundation recognized \$53,668, 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.

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, 2021 through December 3, 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.

BYLAWS
OF
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT FOUNDATION

ARTICLE I

Name and Purposes

The corporation is dedicated to the support of the programs, services and mission of the Rancho Santiago Community College District, and shall have such purposes as are now or may hereafter be set forth in its Articles of Incorporation. The name of the corporation, unless otherwise changed by the Board of Directors, shall be the Rancho Santiago Community College District Foundation.

ARTICLE II

Powers

The corporation shall have such powers as are now or may hereafter be granted by or not otherwise prohibited under the laws governing auxiliary organizations of the California Community Colleges, by the Nonprofit Corporation Law of the State of California, by the Internal Revenue Code provisions and related regulations concerning exempt organizations, and by such other laws as operative to the corporation and its activities, except as limited by the provisions of its Articles of Incorporation and these Bylaws. Such powers include, but are not limited to:

1. Exercise any power available to auxiliary organizations and nonprofit corporations under California and federal law, provided that such powers are exercised in the furtherance of the purposes, mission and function of the corporation, and in the manner that such powers may legally be exercised.
2. Establish and maintain a fund or funds for the corporation's activities and programs.
3. Acquire, hold, and dispose of property, real or personal, to meet the purposes, mission and function of the corporation, including, but not limited to, the acquisition of necessary facilities and equipment; the retention of staff; the making and entering into contracts; and the incurring of debts, liabilities, or obligations.

4. To receive, accept, and utilize property, real or personal, for permissible corporation purposes; and to receive, accept, expend, and disburse funds by contract or otherwise, for the purposes consistent with the provisions of the corporation and as permitted by law.
5. To perform such other functions as may be necessary or appropriate to carry out the purposes, mission and functions of the corporation.

ARTICLE III

Offices

The corporation shall have and continuously maintain within the Rancho Santiago Community College District or in its geographic area of operations a principal office for the transaction of the corporation's business.

ARTICLE IV

Membership

Section 1. No Regular Members. In accordance with Section 5310 of the California Nonprofit Public Benefit Corporation Law, the corporation shall have no members within the meaning of Section 5056 of that law. All action which would otherwise require approval by a majority of all members or approval by members shall require only approval of the Board of Directors. All rights which would otherwise vest in members shall vest in the Board of Directors.

Section 2. Persons Associated with the Corporation. The Board of Directors may create such advisory boards, councils, honorary memberships or other bodies as it deems appropriate. The Board of Directors may also confer upon any such class or classes of such persons some or all of the rights of a member under the California Nonprofit Public Benefit Corporation Law other than the right to vote:

- (a) for the election of a Director or Directors or an officer or officers; or
- (b) on a disposition of all or substantially all of the assets of the corporation; or
- (c) on a merger; or
- (d) on a dissolution; or
- (e) on changes to the corporation's Articles of Incorporation or Bylaws.

All such voting rights being vested exclusively in the Board of Directors.

ARTICLE V

Board of Directors

Section 1. Definition of Terms. For the purpose of these Bylaws,

- a. "Board of Directors" or "Board" refers to the Board of Directors of the corporation, unless otherwise indicated.
- b. "Board of Trustees" refers to the Board of Trustees of the Rancho Santiago Community College District. District" refers to the Rancho Santiago Community College District.
- c. "Chancellor" refers to the Chancellor of the District. Board of Trustees" refers to the Board of Trustees of the Rancho Santiago Community College District.
- d. "District" refers to the Rancho Santiago Community College District. Trustee" refers to a member of the District Board of Trustees.
- e. "President" refers to the President of the Board of DirectorsChancellor" refers to the Chancellor of the District.
- f. "Trustee" refers to a member of the District Board of TrusteesPresident" refers to the President of the Board of Directors.

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Section 2. General Powers. All the business and affairs of the corporation shall be conducted, managed and overseen by the Board of Directors. Subject to the Articles, these Bylaws, and applicable California and federal law, the Board of Directors shall have the power to:

- 1. Establish bylaws, rules, and regulations not inconsistent with the Articles, Bylaws and applicable California and federal law as may be necessary for, or of assistance in the conduct of the corporation's activities and business.
- 2. Provide for the management and administration of the corporation's activities and programs in a manner that is in the best interest of the corporation and consistent with the Articles and Bylaws. This power shall include (but not be limited to) the power to employ and terminate a management firm for such purpose, to employ staff, and to acquire or contract for facilities and vendor support.
- 3. Appoint and dissolve committees.
- 4. Insure or cause to be maintained a complete and accurate system of accounting for all funds.
- 4. Maintain, or cause to be maintained, accurate records for all corporation activities.

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5. Enter into contracts consistent with the terms of the Articles and Bylaws, and as permissible under California and federal law.
6. Adopt an annual budget.
7. Oversee the activities of all committees.
8. Annually evaluate, or cause to be evaluated the performance of staff.

9. Perform any and all other functions necessary or appropriate to accomplish the purpose of the corporation consistent with the Article and Bylaws, and as permissible under California and federal law.

Section 3. Number. The authorized number of voting Directors shall be not less than five (5) or more than eleven (11).

Section 4. Selection and Tenure. The Chancellor shall be a ~~an~~ ~~ex officio~~ voting Director of the corporation. ~~The following shall be non-voting Directors of the corporation: the Executive Vice Chancellor of Human Resources and Educational Services, the Vice Chancellor of Business Operations and Fiscal Services, the President of Santa Ana College, the President of Santiago Canyon College, the Santa Ana College Academic Senate President or their Designee, the Santiago Canyon College Academic Senate President or their Designee, the Santa Ana College Foundation Director and the Santiago Canyon College Foundation Director.~~ ~~Four~~ ~~Five~~ of the voting Directors shall be selected as follows: ~~Two~~ ~~(2)~~ **One (1)** Trustees appointed by the Board of Trustees who shall serve a one (1) year term; and ~~three~~ ~~(3)~~ **four (4)** or more Directors appointed by the Chancellor who shall serve one (1), two (2) or three (3) year terms as determined by the Chancellor. To the extent the Board expands the number of ~~voting~~ Directors, the Chancellor shall appoint for the initial term, factoring in recommendations from the remaining Board members. All appointed Directors may have their initial terms extended as determined by the Board of Directors. After the initial terms expire, on reappointment, the Directors shall serve three (3) year terms with no term limits.

Commented [TZ1]: Pursuant to Corporations Code 5047, a person who does not have the authority to vote is NOT a director.

Commented [TZ2]: Shouldn't this be "Five"? The remainder of the sentence says that 2 trustees shall serve as directors and 3 or more appointed by the Chancellor. This would then be consistent with Section 3 where five is listed as the minimum number of directors.

Commented [TZ3]: Saying "voting director" is redundant. All directors have the power to vote.

Section 5. Voting. Each ~~voting~~ member of the Board of Directors shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of this corporation. All votes shall be recorded in the Minutes of meetings, including each voting member's vote.

Section 6. Resignation and Removal. Any Director may resign from the Board at any time by giving written notice to the President or Secretary of the corporation and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. ~~Directors, except those serving ex officio and the Director~~ appointed by the Board of Trustees, may be removed from office by the vote of a majority of the Directors at a meeting at which a quorum is present.

Commented [TZ4]: Who has the power to remove the Director's appointed by the Board of Trustees?

Section 7. Vacancies. Any vacancy occurring on the Board of Directors may be filled by the remaining members of the Board of Directors for the unexpired portion of the term. Vacancies may be left unfilled, at the discretion of the Board of Directors, provided that a minimum number of directors, as set forth in Section 3, above, as amended, ~~of five~~ ~~(5)~~ ~~voting members~~ is maintained.

Section 8. Compensation of Directors. No Director shall receive any salary or other compensation for any services as a Director. The Board of Directors may authorize the reimbursement of actual and necessary expenses incurred by individual Directors performing duties on behalf of the corporation and subject to Board review and

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approval.

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Such authorization shall, where feasible, be made in advance of any such expenses being incurred or otherwise approved and ratified at the next scheduled meeting of the Board.

Section 9. Inspection by Directors. Each Director shall have the right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation, provided that no individual Director shall use such records other than for the corporation's purpose and benefit, or disclose any matters relating to privileged communications or Closed Session matters.. This inspection must be made by the Director in person, provided that the Director may be accompanied by an agent or attorney, and the right of inspection includes the right to copy documents at the Director's expense. Nothing in this section shall affect the right of the Board of Directors to conduct the business of the corporation as set forth in these Bylaws.

Section 10. Delegation. Pursuant to Section 5210 of the California Corporations Code, the Board of Directors may delegate the management of the activities of the corporation to any person or persons, management company, or committee however composed, including (but not limited to) an employee of the District, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate supervision and direction of the Board of Directors.

Section 11. Conflict of Interest. Each Director shall familiarize himself or herself with the applicable conflict of interest rules and requirements, and adhere to them. No member of the Board of Directors shall vote on any matter in which he or she has a conflict of interest and/or financially interested in any contract or other transaction entered into by the Board of Directors that is not in accordance with the conflict of interest provisions set forth in Education Code Sections 72677-72680 or as otherwise set forth under California or federal law. Any such conflict or potential conflict shall be identified by the Board member prior to discussion or action on the subject Agenda item, and the Board member shall recuse himself or herself from discussion or voting on the item. All such matters shall be recorded in the Minutes of the corporation's meetings.

ARTICLE VI

Meetings of the Board of Directors

Section 1. Place of Meetings. Meetings of the Board of Directors shall be held at any place within the Rancho Santiago Community College District as the Executive Director or Board may designate. In the absence of such designation, meetings shall be held at the principal office of the corporation.

Section 2. Annual Meeting. An annual meeting of the Board of Directors shall be held in June of each year, unless otherwise set by the Board of Directors for another month. Such meeting shall be for the purpose of appointing Directors and electing Officers other than ex-officio Officers of the corporation and for the transaction of such business of the corporation.

Section 3. Regular Meetings. Regular meetings of the Board of Directors shall be held at least two times per year, and may be held at such other times as deemed necessary and in the best interests of the corporation by the Executive Director or Board.

Section 4. Special and Emergency Meetings. Special meetings of the Board Directors may be called by, or at the direction of, the President, the Chief Executive Officer, or by a majority of the voting Directors then in office, to be held at such time and place as shall be designated in the notice of meeting. The call and notice of a special meeting shall be delivered at least forty-eight hours prior to any meeting and shall specify the time and place of the meeting and the business to be transacted. If notice is given by facsimile or email, such notice shall be deemed delivered when the facsimile or email is transmitted. Emergency meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act.

Section 5. Notice of Meeting.

(a) Notice of the time and place of any meeting of the Board of Directors other than special meetings shall be given at least three (3) days previous thereto, and delivered personally or sent by U.S. mail, email or facsimile to each Director at his or her address or facsimile number as shown in the records of the corporation. If mailed, such notice shall be deemed to be delivered the next day during which regular mail deliveries are made after the day such notice is deposited in the United States Postal Service in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by personal delivery, email or facsimile, such notice shall be deemed delivered when the email or facsimile is transmitted. The business to be transacted at any regular or special meeting of the Board shall be specified in the Agenda of any such meeting.

(b) The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. Open Meetings. Agendas for all meetings shall be posted on the Foundation's website and physically posted at the District location or other location where the meetings are held. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board, in conformity with the Ralph M. Brown Act. However, the Board may hold Closed Sessions during any meeting to consider those matters that may lawfully be considered. As to any Open Sessions where any Agenda item for discussion and/or action involves a relationship of any voting or non-voting Director with a party adverse or potentially adverse to the corporation, the Director shall recuse himself or herself from participation in the discussion as well as action. As to Closed Sessions, only voting Directors shall attend unless otherwise decided by the Board of Directors prior to adjourning to Closed Session.

Section 7. Quorum and Manner of Acting. A simple majority of the then existing number of voting Directors shall constitute a quorum of the Board of Directors for the transaction of business, except to adjourn as provided in Section 8 of this Article VI. Every act or decision done or made by a majority of the Directors present at a meeting at which a quorum is present shall be regarded as the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal or recusal of a Director or Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 8. Adjourned Meetings. A quorum of the Board of Directors may adjourn any meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed by the next regular meeting of the Board of Directors. If the meeting is to be adjourned for more than twenty-four (24) hours, then notice of the adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who are not present at the time of the adjournment, and all setting of, and Agendas concerning any such meeting shall also adhere to the posting and other provisions of the Brown Act.

Section 9. Minutes of Meetings and Conduct. Minutes of the Open Session proceedings of the Board of Directors shall be kept in a book provided for that purpose, including agenda items and action reported out of Closed Session. The Board of Directors may adopt its own rules of procedure insofar as such rules are not inconsistent with, or in conflict with, these Bylaws, the Articles of Incorporation of the corporation, the California Corporations Code or any other applicable provisions of California or federal law.

ARTICLE VII

Officers

Section 1. Officers. The Officers of the corporation shall be a President, Vice President, Secretary and Treasurer. The corporation, at the discretion of the Board of Directors, may have additional Officers. Any number of offices may be held by the same person, except that neither the Treasurer nor the Secretary may serve concurrently as the President, except as provided in Article VII Section 6. The President, Vice President and the Secretary of the corporation shall be voting Directors.

Section 2. Election and Terms of Office. Initially, the Officers of the corporation, other than those serving ex-officio, shall be appointed by the Chancellor for a one (1) year term and subsequently will be elected by the Board of Directors at its annual meeting. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as may conveniently be scheduled. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Except as provided in the case of Officers appointed under Section 4 of this Article VII, each Officer shall hold office for a term of one (1) year and until his or her successor shall have been elected, unless he or she shall sooner resign, be removed, or become ineligible to continue to

serve in such capacity. Elected Officers may serve as many successive one (1) year terms as the Board of Directors deems appropriate, without term limits.

Section 3. Removal and Resignation. Any Officer elected by the Board of Directors may be removed from office by a majority of the Directors present at a meeting whenever, in their judgment, the best interests of the corporation would be served thereby. Any elected Officer may resign from office at any time by giving written notice to the President of the Board or the Secretary of the corporation and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party.

Section 4. Vacancies. A vacancy in any office, other than one occupied ex-officio, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the presiding officer of the Board of Directors. The President shall have such other powers and duties as the Board of Directors may prescribe from time to time.

Section 6. Vice President. In the absence or disability of the President, the Vice President shall perform all of the duties of the President. When so acting, the Vice President shall have all of the powers and duties of the President. The Vice President shall also have such other duties as from time to time may be assigned to her or him by the President or the Board of Directors.

Section 7. Secretary. The Chancellor shall be the Secretary of the corporation. The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board of Directors may order of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors meetings. The Secretary shall give or cause to be given notice of all the meetings of the Board of Directors required by these Bylaws or by law to be given.

Section 8. Treasurer. The Vice Chancellor of Business Operations and Fiscal Services shall be the Treasurer of the corporation. The Treasurer shall cause to be kept the financial records of the funds and assets of the corporation; shall cause to be received and receipted moneys payable to the corporation from any source whatsoever, and deposit all such funds in the name of the corporation in such banks or other depositories as shall be selected; shall be responsible for causing to be kept all books and records or accounts of the financial transactions and affairs of the corporation; and in general cause to be performed all the duties incident to the office of Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her other duties in such sum and with such surety as the Board of Directors shall determine.

Section 9. Executive Director. The Executive Director shall be the Chancellor or an administrator of the Rancho Santiago Community College District designated by the

Chancellor. The Executive Director shall act as the Chief Executive Officer of the corporation and shall have general supervision of the affairs of the corporation.

ARTICLE VIII

Indemnification of Directors, Officers, and other Agents

Section 1. Right of Indemnity. To the fullest extent permitted by law, the corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238 (a) of the California Corporations Code or as otherwise permitted under California law, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this Bylaw, shall have the same meaning as in Section 5238 (a) of the California Corporations Code or as otherwise provided in applicable California law.

Section 2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 5238 (b) or Section 5238 (c) of the California Corporations Code, the Board shall promptly determine under Section 5238 (e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238 (b) or Section 5238 (c) has been met and, if so, the Board shall authorize indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

Section 4. Insurance. The corporation shall have the discretion to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's employee's or agent's status as such.

ARTICLE IX

Committees and Advisory Boards

Section 1. Committees. The Board may appoint one or more committees, each consisting of at least one (1) ~~voting~~-Director, and delegate to such committees any of the authority of the Board except with respect to:

- (a) The filling of vacancies on the Board or in any committee;
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee, should Article V, Section 7 be amended to allow such compensation;
- (c) The amendment or repeal of Bylaws or the adoption of any new Bylaws;
- (d) The amendment or repeal of any decision of the Board which by its express terms is not so amendable or repealable;
- (e) The appointment of other committees of the Board or the members thereof;
- (f) The approval of any self-dealing transaction, as such transactions are defined in Section 5233 (a) of the California Nonprofit Corporation Law; and
- (g) Such other matters as deemed advisable by the Board.

Any such committee must be created, and the members thereof appointed, by the Board. The President shall appoint the Chairs of all committees from among the members thereof. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Minutes shall be kept of each meeting of each committee. To the extent any committee is a Standing Committee with continuing jurisdiction over a given subject matter or regular meeting schedule, or comprised of a majority of the voting members of the Board, it shall also schedule, agenda, post and conduct meetings in compliance with the Brown Act.

Section 2. Advisory Committees. The Board may appoint one or more advisory committees, each consisting of at least one (1) voting Director. Such advisory committees shall have their membership and functions defined by the Board. The Chancellor shall appoint the Chairs of all advisory committees. Advisory boards committees make recommendations to the Board of Directors through the Chancellor; but shall not have the authority of the Board with regard to any matters they may consider. Minutes shall be kept of each meeting of each advisory board. To the extent any advisory committee is a Standing Committee with continuing jurisdiction over a given subject matter or regular meeting schedule, or comprised of a majority of the voting members of the Board, it shall also schedule, agenda, post and conduct meetings in compliance with the Brown Act.

ARTICLE X

Contracts, Loans, Checks, Deposits, and Gifts

Section 1. Contracts. The Board of Directors may authorize any Officer or agent of the corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances, subject to the Articles, these Bylaws and California and federal law.

Section 2. Loans. The Board of Directors shall not make any loan of money or property to or guarantee the obligation of any Director.

Section 3. Borrowing. No loan shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized the Board of Directors and undertaken in conformance with the Articles, Bylaws and California and federal law.

Section 4. Checks, Drafts, Etc. All checks, drafts, or orders for the payment of money shall be signed by not less than two officers, or agents, (one of whom is an employee designated by the District), of the corporation, in such manner as determined by the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall signed by the Treasurer and countersigned by the Chancellor.

Section 5. Deposits. All funds of the corporation shall be deposited in a timely manner to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 6. Gifts, Donations, Bequests, Devises and Trusts. The Board of Directors may at their discretion accept on behalf of the corporation any gift, donation, bequest, devise and Trust for the general purpose or for any specific purposes of the corporation.

Section 7. Specially Funded Grants. Any specially funded grants for research and other projects shall be accepted by the Board of Directors in accordance with policies and procedures established by the Board of Directors.

ARTICLE XI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year unless otherwise determined by the Board of Directors.

Section 2. Rules. The Board of Directors may adopt, amend, or repeal rules not inconsistent with these Bylaws for the management of the internal affairs of the corporation and the governance of its Officers, agents, committees, and employees.

Section 3. Books and Records. The corporation shall keep correct and complete books and records of account and shall also keep records and minutes of the proceedings of the Board of Directors and committees. Copies of the minutes of the Board of Directors and of the committees shall be regularly distributed to each member of the Board of Directors.

Section 4. Waiver of Notice. Whenever any notices are required to be given under the provisions of the Nonprofit Corporation Act of the State of California, or under the provisions of the Articles of Incorporation of the corporation, or these Bylaws, a waiver thereof in writing signed by the persons entitled to such notice, whether dated before or after the time stated herein, to the extent permitted by law, shall be deemed equivalent to the giving of such notice.

Section 5. Attorney and Accountant Services. The Board of Directors shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in the State and at least one licensed certified public accountant. Neither the attorney at law nor the certified public accountant need be members of the Board of Directors. The Board shall also have discretion to engage such other professionals and consultants as deemed reasonable and appropriate to address the needs of the corporation.

Section 6. Submission of Annual Program and Budget. The Board of Directors shall submit its program and budget for the next fiscal year to the Chancellor for his/her approval on or before June 30 of each year, unless otherwise extended by the Board of Directors. Should the Chancellor determine that any program or appropriation planned by the corporation is not consistent with the purposes of the corporation and/or the policies of the Board of Trustees, the program or appropriation shall not be implemented. Further, should a program or appropriation which had received approval, upon review, be determined by the Chancellor to be operating outside of the purposes of the corporation and/or the scope of the policies of the Board of Trustees, then that program or appropriation shall be discontinued by direction of the Chancellor until further review is accomplished and an appropriate adjustment is made.

Section 7. Dissolution. In the event that the Corporation is dissolved pursuant to action by the Board of Trustees of the Rancho Santiago Community College District, all assets of the Corporation shall be distributed to the District.

ARTICLE XII

Amendment to Bylaws

These Bylaws may be amended at any noticed meeting by the Board of Directors subject to written approval of the Chancellor.

Commented [TZ5]: The Board should have the ultimate decision making power. Is there a reason why the Chancellor has veto power?