



## MIRACOSTA COLLEGE FOUNDATION BOARD FINANCE COMMITTEE MEETING

**Tuesday, May 2, 2023 1:00 – 2:30 p.m.**

3333 Manchester Avenue Cardiff, CA 92007  
Conference Room 1131

Members of the community not able to attend in person can listen to the live stream here:  
<https://www.miracosta.edu/faculty-staff/academic-information-services/media-services/ocn2.html>

### **Finance Committee Members:**

Matt Adams, Bruce Bandemer, Eva Budnik, Jimmy Figueroa, Cindy Musser, Sharon Wiback

### **Staff Support & Advisors Support Attendees:**

Tim Flood, Elizabeth Lurenana, Andrew Maslick,  
Arthur Rodriguez, Shannon Stubblefield, Lois Templin, Christina Undan

### **Land Acknowledgement:**

*We acknowledge the original caretakers of the land on which MiraCosta College is built. The Luiseno people are made up of seven bands: the La Jolla, Pala, Pauma, Pechanga, Rincon, San Luis Rey, and Soboba. We pay our respects to the Luiseno – past, present, and emerging, and are grateful to have the opportunity to be part of this community and to honor their history, culture, and spirit.*

## **AGENDA**

### **I. CALL TO ORDER**

This meeting's audio will be live streamed and recorded.

### **II. ROLL CALL, WELCOME and INTRODUCTIONS**

### **III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA**

### **IV. CHANGES IN AGENDA ORDER**

### **V. APPROVE MEETING MINUTES - Action Required**

A. Regular meeting of February 7, 2023

### **VI. COMMITTEE REPORT(S)**

A. Finance Committee

- i. Review & Approve FY22/23 Q3 Financial Statements (**Action Required**)
- ii. Review FY22/23 Q3 Recap
- iii. Review FY23/24 Operating Budget (**Action Required**)
- iv. Pledges Receivable
  - a. Follett Pledge
  - b. Policy & Procedure
- v. Audit Report
- vi. Endowment Matching Opportunity

### **VII. COLLEGE UPDATES**

A. Office of Administrative Services – Vice President Tim Flood (Zoom)

### **VIII. PRESENTATION(S)**

A. Andrew Maslick, VIAS (Zoom)

### **IX. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW**

### **Next Finance Committee Meeting**

Tuesday, August 1, 2023 at 1:00 – 2:30 p.m.

**Next Executive Committee Meeting**

Tuesday, May 2, 2023 at 3:00 – 4:00 p.m.

**Next Quarterly Board Meeting**

Tuesday, May 16, 2023 at 3:00 – 5:00 p.m.

**Next Comprehensive Campaign Committee Meeting**

Tuesday, May 30, 2023 at 1:00 – 2:00 p.m.

**Next Governance and Nominations Committee Meeting:**

Tuesday, July 25, 2023 at 2:00 – 3:00 p.m.

**X. FUTURE AGENDA ITEMS**

**XI. ADJOURNMENT**

\* **ITEMS ON THE AGENDA:** Members of the audience may address the Foundation Board Committee on any item listed on the agenda when that agenda item comes up for discussion and/or action. Comments will be limited to three (3) minutes per agenda item and a total of fifteen (15) minutes of public comment on an item, unless waived by the committee. Non-English speakers utilizing a translator will have six (6) minutes to directly address the Committee.

**ITEMS NOT ON THE AGENDA:** Members of the audience may address the Foundation Board Committee on any topic not on the agenda so long as the topic is within the jurisdiction of the Foundation. Under the Brown Act, the committee is not permitted to engage in public discussion or take any action on an agenda item not on the agenda, except that members of the committee may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Government Code §54954.3. In addition, on their own initiative, or in response to questions posed by the public, a member of the committee may ask a question for clarification. A member of the committee or the committee itself may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. Comments from visitors shall not exceed three (3) minutes unless the committee waives the time limit. Non-English speakers utilizing a translator will have six (6) minutes to directly address the committee. The committee may also limit the total amount of time for public comment on a particular topic to fifteen (15) minutes.

**DECORUM:** Decorum requires members of the public to observe order at committee meetings. Speakers shall speak to the issues, and refrain from using defamatory or abusive personal remarks that disturb or impede the meeting or exceed the bounds of civility necessary to the conduct of the business of the Foundation Board Committee. The presiding officer has the authority to run the meeting, which includes the authority to issue warnings, call for recesses, or clearing the boardroom in the event of disruptive behavior. Government Code section 54954.3(c) establishes that the legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body, and California Penal Code section 403 makes it a misdemeanor for any person to willfully disturb or break up any lawfully authorized assembly or meeting.

Foundation Committee meetings are held in meeting rooms that are accessible to those with mobility disabilities. If you wish to attend the meeting and you have another disability requiring special accommodation, please notify the board assistant, 760.795.6645, 760.757.2121, extension 6645, or 619.755.5155, extension 6645. The California Relay Service is available by dialing 711 or 800-735-2929 or 800-735-2922.

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## MIRACOSTA COLLEGE FOUNDATION BOARD FINANCE COMMITTEE MEETING

### MINUTES OF REGULAR MEETING

**February 7, 2023  
(DRAFT)**

#### I. CALL TO ORDER

The MiraCosta College Foundation Finance Committee met in open session on Tuesday, February 7, 2023 in Room 131 on the San Elijo Campus (3333 Manchester Avenue, Cardiff, CA 92007). Chair Bandemer called the meeting to order at 1:02 p.m.

#### II. ROLL CALL, WELCOME and INTRODUCTIONS

##### Committee Members Present:

Matt Adams (arrived at 1:04)	Bruce Bandemer	Cindy Musser
Sharon Wiback		

##### Committee Members Absent:

Eva Budnik	Jimmy Figueroa	Melissa Grajek
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##### Advisors/Staff Present:

Tori Fishinger, MiraCosta College Foundation Associate Director  
 Tim Flood (Zoom), MiraCosta College VP of Administrative Services  
 Elizabeth Lurenana, MiraCosta College Foundation & Development Administrative Assistant  
 Andrew Maslick (Zoom), VIAS, Vanguard Senior Investment Consultant  
 Dave McGuigan, MiraCosta College Foundation Board President  
 Shannon Stubblefield, MiraCosta College Foundation Executive Director/VP of Advancement  
 Lois Templin, MiraCosta College Accounting Supervisor  
 Christina Undan, MiraCosta College Accountant

#### III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA

None

#### IV. CHANGES IN AGENDA ORDER

None

#### V. APPROVE MEETING MINUTES - Action Required

A. Regular meeting of December 14, 2022

By motion of Committee Member Adams, seconded by Committee Chair Bandemer, the minutes of the regular meeting of August 2, 2022, were approved.

Vote: 3/0/1/3

Objections: None

Aye: Adams, Bandemer, Musser

Nay: None

Abstentions: Wiback

Absent: Budnik, Figueroa, Grajek

#### VI. PRESENTATION(S)

- A. Andrew Maslick, VIAS (Zoom)
- i. Maslick reviewed the portfolio update for the committee.

- a. 2022 performance
  - Reviewed overall market stats for 2022. Fourth worst year since 1957. It is historically uncommon to have two consecutive bad years, so 2023 will likely show improvement.
  - Reviewed MCCF specific performance for 2022. Relatively strong performance compared to the composite benchmark. Non-U.S. stocks performed well. Long-term investments did well, too. Cash flow was positive overall.
- b. 2023 Market Outlook
  - Based on historical evidence Vanguard is optimistic about the coming year.
  - A recession is 90% likely by the end of 2023.
- ii. Adams reflected that overall being 17% down vs. the market as a whole being 13% down is understandable based on the policy. It was a bad year to have an index portfolio.

## VII. COLLEGE UPDATES

- A. Office of Administrative Services – Vice President Tim Flood (Zoom)
  - i. 49% expenses to revenue
  - ii. Budget & Planning Committee moved forward with about \$4 million in grants applications to benefit students and staff, especially under-represented groups.
  - iii. Governor's budget for next year removes \$200 million in funds and moving it to next year for enrollment.
    - a. MCC receives \$9 million down to \$6.7 million allocation.
    - b. Could impact student housing feasibility study (delays funding another year) and delay the no-interest loan program for building housing.
  - iv. McGuigan asked why revenue would be lower. Flood clarified it won't be lower but won't be as much of an increase as expected. It revenue isn't down overall, but revenues lower in lottery funds and education protection act funds.
    - a. Starting in the following year will be paid only for students who attend (not adjusted for declining student enrollment). Does not affect us as much as apportionment districts.
    - b. McGuigan asked Flood to send the breakdown of revenue streams for the college. Flood included this in the Zoom chat and staff will send it to the committee and include with the minutes.
  - v. McGuigan asked about focus for grant proposals.
    - a. Flood shared most competitive/successful in bio-tech/sciences sphere and also chancellor's office grants focusing on diversity and equity.
    - b. Stubblefield shared currently working on several NSF grants, an EEO grant, and one from the Department of Education. A lot are in Math & Sciences Departments.

## VIII. COMMITTEE REPORT(S)

- A. Finance Committee
  - i. Review & Approve FY22/23 Q2 Financial Statements (**Action Required**)
    - a. Chair Bandemer reviewed the statements for the committee.
    - b. The committee asked staff to change wording on Income Statement so the final two columns reflect the time period the totals represent.
      - The totals do not include pledge payments and a \$200,000 donation from Follett does not show.
    - c. VP/ED Stubblefield explained that the reports now break down Unrestricted vs. Restricted Income. This is in preparation of a re-vamp of budgeting in process to be done in May.

By motion of Committee Member Wiback, seconded by Committee Member Adams, the FY22/23 Q2 Financial Statements were approved.

Vote: 4/0/0/3  
Objections: None  
Aye: Adams, Bandemer, Musser, Wiback  
Nay: None  
Abstentions: Wiback  
Absent: Budnik, Figueroa, Grajek

ii. Review & Approve FY22/23 Q2 Recap with Recommendations from Accounting Department (**Action Required**)

- a. VP/ED Stubblefield discussed the chart recommendations and how they coincide with Investment and Spending Policy. This movement has not been done for several quarters.
- b. Staff Member Undan explained the recommended moves. Summary of recommendations is at the top of the chart on page 51 of the packet.
  - Bandemer asked if the moves should be adjusted for Spring scholarship disbursement. The committee and staff discussed the policy and how it waterfalls. The committee requested letting money sit in LAIF for scholarships from February – October of each year.
    - i> 12/31/2022 - Endowment management fees that's going to operations is \$164,367.41 - split between restricted \$157,605.26 and unrestricted \$6,762.15
    - ii> 12/31/2022 - Endowment distributions total \$392,903.47 - split between restricted \$377,125.11 and unrestricted \$15,778.36
    - iii> Committee would like \$392,903.47 into LAIF. The rest can stay in excess.
    - iv> Staff will update the chart with adjusted recommendations for the full board meeting on February 21, 2023.

By motion of Committee Member Wiback, seconded by Committee Member Musser, the adjusted money movement recommendations were approved by the committee.

Vote: 4/0/0/3  
Objections: None  
Aye: Adams, Bandemer, Musser, Wiback  
Nay: None  
Abstentions: Wiback  
Absent: Budnik, Figueroa, Grajek

iii. Review ["Investment and Spending Policy"](#) (**Action Required**)

- a. Section III a explains the need to review this policy annually.
- b. Section VII c and corresponding Investment and Spending Policy Flow Chart
  - Maslick reviewed the 10-year and 30-year outlook for endowment and excess reserves with the committee. Staff will send the Vanguard outlook presentation to the committee and attach with the meeting minutes for the public.
  - Based on the outlook, the committee does not recommend any changes to the Investment and Spending Policy but does recommend adding a note to the flow chart that scholarship funds will be temporarily deposited in LAIF from February – October. Staff will add the recommended language to the flow chart prior to the full board meeting on February 21, 2023.

By motion of Committee Member Wiback, seconded by Committee Member Adams, the committee recommends no changes to the Investment and Spending

Policy aside from adding a note to the flow chart that scholarship funds will be temporarily deposited in LAIF from February – October.

Vote: 4/0/0/3

Objections: None

Aye: Adams, Bandemer, Musser, Wiback

Nay: None

Abstentions: Wiback

Absent: Budnik, Figueroa, Grajek

iv. Audit Update

- a. Meeting scheduled for 9:00 a.m on March 8, 2023 at the San Elijo Campus.

**IX. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW**

**Next Finance Committee Meeting**

Tuesday, May 2, 2023 at 1:00 – 2:30 p.m. at San Elijo Campus

**X. FUTURE AGENDA ITEMS**

- A. Budget process re-vamp (to include restricted revenue and expenses to get a fuller picture of the entire 501c3)

**XI. ADJOURNMENT**

- A. The meeting was adjourned at 2:20 p.m.

**CR ACC - Foundation Balance Sheet**

Repeat By

Period

FY2022-23 - 09-Mar

Worktags

Calculate Current Year Retained E: Yes

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
Period: FY2022-23 - 09-Mar			Q3- 7/1/2022 to 3/31/2023	Prior Year Q3 - 7/1/2021 to 3/31/2022	Prior Year Total - 7/1/2021-6/30/2022
Assets	2,330,140.89	18,882,785.91	21,212,926.80	22,956,619.61	20,753,415.53
Cash	366,062.74	808,151.71	1,174,214.45	1,728,282.58	1,898,763.34
9100C:Cash Conversion	0	0.00	0.00	(56.30)	0.00
9110:Cash in Foundation	366,062.74	808,151.71	1,174,214.45	1,728,338.88	1,898,763.34
Investments	1,486,065.21	16,476,340.47	17,962,405.68	18,944,851.36	16,466,754.74
9120:Investment	400,238.04	13,160,277.67	13,560,515.71	15,397,121.87	13,192,613.24
9122:Investment - Pooled	(416,888.01)	(12,380,877.60)	(12,797,765.61)	(14,476,011.53)	(12,429,863.14)
9228:Vanguard - Intermediate-Term Investment Grade Admiral	0	238,719.77	238,719.77	260,811.61	244,542.66
9229:Vanguard - Short-Term Investment Grade Admiral	0	590,385.66	590,385.66	633,580.33	612,038.46
9230:Vanguard - Total International Bond Index Admiral	0	935,478.11	935,478.11	1,039,032.58	985,184.40
9231:Vanguard - Total International Stock Index Admiral	0	3,818,104.70	3,818,104.70	4,445,791.64	3,874,050.58
9232:Vanguard - Total Bond Market Index Admiral	0	1,091,732.09	1,091,732.09	1,211,711.06	1,154,588.64
9233:Vanguard - Total Stock Market Index Admiral	468,540.06	5,387,077.81	5,855,617.87	7,823,690.74	6,506,024.92
9234:Vanguard - Long-Term Investment Grade Admiral	0	262,870.06	262,870.06	292,303.03	257,101.58
9235:Vanguard Short Term Investments	1,034,175.12	3,372,572.20	4,406,747.32	2,316,820.03	2,070,473.40
Deferred Gifts - Assets	426,799.00	753,378.91	1,180,177.91	1,097,888.18	1,180,177.91
9121:Deferred Gifts	0	753,378.91	753,378.91	671,089.18	753,378.91
9309:Assets Donated (Gift-in-Kind)	0	0.00	0.00	0.00	0.00
9310:Assets Donated (Held for sale)	426,799.00	0	426,799.00	426,799.00	426,799.00
Accounts Receivable/Prepays	51,213.94	844,914.82	896,128.76	1,185,597.49	1,207,719.54
9139:Pledge Receivable - Long-term	45,000.00	845,336.39	890,336.39	1,187,947.07	1,147,733.95
9142:Discount on Pledge Receivable	0	(8,265.77)	(8,265.77)	(3,897.63)	(8,265.77)
9143:Accounts Receivable - Year end accrual	6,513.94	0.00	6,513.94	767.26	58,105.59
9220:Prepaid Items	(300.00)	7,800.00	7,500.00	0.00	10,101.57
9221:Travel Advance Prepaid	0	44.20	44.20	780.79	44.20
<b>Total Assets</b>	<b>2,330,140.89</b>	<b>18,882,785.91</b>	<b>21,212,926.80</b>	<b>22,956,619.61</b>	<b>20,753,415.53</b>
Liabilities	30,222.30	76,942.58	107,164.88	68,016.44	160,194.19

Accounts Payable	30,222.30	76,942.58		68,016.44	160,194.19
9511:Accounts Payable	30,262.30	76,872.47	107,134.77	66,507.50	47,560.51
9514:Use Tax Payable	0	0.00	0.00	1,055.57	1,344.53
9515:Sales Tax Payable	0.00	0.00	0.00	453.37	259.05
9516:Withholding Tax Payable	0	30.11	30.11	0.00	0
9518:Expense Reports Payable	(40.00)	40.00	0.00	0.00	3,764.53
9580:Accounts Payable - Other	0.00	0.00	0.00	0.00	107,265.57
Due To Related Entities	0.00	0.00	0.00	0.00	0.00
9540:Due to Other Funds	0.00	0.00	0.00	0.00	0.00
Due From Related Entities	0.00	0.00	0.00	0.00	0.00
9140:Due From Other Funds	0.00	0.00	0.00	0.00	0.00
<b>Total Liabilities</b>	<b>30,222.30</b>	<b>76,942.58</b>	<b>107,164.88</b>	<b>68,016.44</b>	<b>160,194.19</b>
<b>Net Position</b>	<b>2,299,918.59</b>	<b>18,805,843.33</b>	<b>21,105,761.92</b>	<b>22,888,603.17</b>	<b>20,593,221.34</b>
<b>Total Liability/Net Position</b>	<b>2,330,140.89</b>	<b>18,882,785.91</b>	<b>21,212,926.80</b>	<b>22,956,619.61</b>	<b>20,753,415.53</b>



**CR ACC - Foundation Income Statement**

Repeat By

Period FY2022-23 - 09-Mar

Worktags

MiraCosta College Foundation	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
Period: FY2022-23 - 09-Mar			Q3- 7/1/2022 to 3/31/2023	Prior Year Q3 - 7/1/2021 to 3/31/2022	Prior Year Total - 7/1/2021-6/30/2022
Revenues	234,268.26	1,637,946.27	1,872,214.53	930,351.43	(1,061,337.16)
Deferred Gifts- Revenue	0	0	0	0.00	466.73
8822:Contribution- Deferred Gifts	0	0	0	0.00	466.73
Contributions	188,201.86	466,172.45	654,374.31	1,192,906.62	1,545,340.78
8820:Contributions, Gifts, Grants, and Endowments	188,201.86	466,172.45	654,374.31	1,192,906.62	1,545,340.78
Investment Activity	46,066.40	1,147,273.78	1,193,340.18	(336,952.19)	(2,689,406.13)
8860:Interest and Investment Income	46,066.40	1,147,273.78	1,193,340.18	(336,952.19)	(2,689,406.13)
Gifts In Kind- Revenue	0	24,500.04	24,500.04	74,397.00	82,261.46
8821:Contribution- Gift- in- kind	0	24,500.04	24,500.04	74,397.00	82,261.46
<b>Total Revenue</b>	<b>234,268.26</b>	<b>1,637,946.27</b>	<b>1,872,214.53</b>	<b>930,351.43</b>	<b>(1,061,337.16)</b>
Transfers	172,430.96	(172,430.96)	0.00	0.00	0.00
Transfers In	545,431.74	627,510.47	1,172,942.21	757,597.96	814,430.20
Transfer In	545,431.74	627,510.47	1,172,942.21	757,597.96	814,430.20
8980:Incoming Transfers	545,431.74	627,510.47	1,172,942.21	757,597.96	814,430.20
Transfers Out	(373,000.78)	(799,941.43)	(1,172,942.21)	(757,597.96)	(814,430.20)
Transfer Out	(370,221.51)	(775,768.50)	(1,145,990.01)	(750,294.45)	(801,533.14)
7200:Intrafund Transfers Out	(370,221.51)	(775,768.50)	(1,145,990.01)	(750,294.45)	(801,533.14)
Transaction Fees	(2,779.27)	(24,172.93)	(26,952.20)	(7,303.51)	(12,897.06)
7203:Intrafund Transfer Out - Transaction Fees	(2,779.27)	(24,172.93)	(26,952.20)	(7,303.51)	(12,897.06)
<b>Total Transfers</b>	<b>172,430.96</b>	<b>(172,430.96)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Revenue and Transfers</b>	<b>406,699.22</b>	<b>1,465,515.31</b>	<b>1,872,214.53</b>	<b>930,351.43</b>	<b>(1,061,337.16)</b>
Expenditures	324,946.38	1,074,014.27	1,398,960.65	966,243.94	1,269,937.18
General And Administrative	317,212.38	331,521.18	648,733.56	379,621.46	582,997.54
2800:Foundation Salary Expense (MCCF Use Only)	78,484.82	33,944.77	112,429.59	101,368.91	118,283.25
4500:Supplies	2,658.51	77,669.44	80,327.95	42,933.36	70,014.89
5100:Other Services	41,468.65	7,312.35	48,781.00	40,712.66	134,166.69
5200:Travel, Conferences, Training	37,200.26	109,867.79	147,068.05	13,926.17	25,090.54
5300:Dues and Memberships	0	10,524.50	10,524.50	8,167.20	12,491.19
5400:Insurance	13,798.00	0	13,798.00	13,411.00	13,411.00
5500:Utilites and Custodial Services	0	0	0	223.66	223.66
5600:Contract Services	129,970.89	80,382.68	210,353.57	132,184.74	149,951.33
5700:Audit, Election, Legal	0	0	0	0.00	12,000.00
5800:Advertising and Postage	13,631.25	11,819.65	25,450.90	26,693.76	47,364.99
7100:Debt Retirement	0.00	0	0.00	0.00	0
Direct Student Aid	2,334.00	67,253.29	69,587.29	430,983.28	85,920.30

7600:Other Student Aid Scholarships	2,334.00	67,253.29	69,587.29	430,983.28	85,920.30
7500:Student Financial Aid Expense	5,400.00	650,739.76	656,139.76	90,478.20	527,993.88
4700:Non-cash Gift-in-Kind	5,400.00	650,739.76	656,139.76	90,478.20	527,993.88
Gifts In Kind- Expense	0.00	24,500.04	24,500.04	65,161.00	73,025.46
4700:Non-cash Gift-in-Kind	0.00	24,500.04	24,500.04	65,161.00	73,025.46
<b>Total Expenditures</b>	<b>324,946.38</b>	<b>1,074,014.27</b>	<b>1,398,960.65</b>	<b>966,243.94</b>	<b>1,269,937.18</b>
Net Fund Balance, Beginning of Year	2,207,975.94	18,385,245.40	20,593,221.34	22,924,495.68	22,924,495.68
Revenues Over (Under) Expenditures	81,752.84	391,501.04	473,253.88	(35,892.51)	(2,331,274.34)
<b>Net Fund Balance, End of Period</b>	<b>2,289,728.78</b>	<b>18,776,746.44</b>	<b>21,066,475.22</b>	<b>22,888,603.17</b>	<b>20,593,221.34</b>

\*\*Additional Q3 Staffing Expenses to be reflectin in Q4 \$13,287.50

<b>Gift Date</b>	<b>Gift Amount</b>	<b>Sort Key</b>
3/22/2023	\$70,000.00	San Diego Foundation
1/31/2023	\$50,000.00	Rancho Santa Fe Foundation
1/24/2023	\$42,250.00	Foundation for California Community Colleges - Osher
2/6/2023	\$22,500.00	Arizona Community Foundation
1/31/2023	\$15,000.00	Karen Pearson (Pledge)
2/7/2023	\$12,500.00	San Diego Gas & Electric (SDG&E)
2/21/2023	\$6,392.00	Nordson Corporation
1/15/2023	\$5,000.00	Derek Whitis
3/28/2023	\$5,000.00	University of California Berkeley
1/6/2023	3/18/1908	Coast 2 Coast Coaching, Inc.
1/23/2023	3/18/1908	John Burton Advocates for Youth
2/21/2023	3/18/1908	Janice C. Gonzales

<b>CASH &amp; ST OPERATING</b>				
Union Bank	357,688.79	UB Statement balance; Cash in ledger may have a different balance due to outstanding checks		
LAIF	898,650.72	LAIF Statement balance		
	<b>1,256,339.51</b>			
<b>INVESTMENTS</b>				
Vanguard - Endowment Portfolio	12,792,908.26			
Vanguard - Excess Reserve Portfolio	3,348,906.36			
Vanguard - Reserve Portfolio	1,002,110.47			
Vanguard - JAFFY	55,730.49			
Osher, as of June 30, 2022	762,750.10			
	<b>17,962,405.68</b>			

Approved FY 2021/22 Expense Budget	Approved FY 2022/23 Expense Budget	FY 2023-2024 Foundation Operating Expense Budget	DRAFT- FY 2023/24 Expense Budget	Notes FY 2023/24	New Program Category in Workday
		<b>Salaries and Benefits</b>			
\$72,000	\$63,000	Development Specialist - Salary	\$73,715	Proposal to increase salary by 15% and title change	Foundation Staffing
\$35,000	\$45,100	Development Specialist - Benefits	\$49,722		Foundation Staffing
\$43,000	\$35,000	Administrative Assistant, Dev/Fdn - Salary - 80%	\$58,972	Proposal to increase to 80% (was 60%)	Foundation Staffing
	\$34,000	Administrative Assistant, Dev/Fdn - Benefits	\$44,377		Foundation Staffing
<b>\$150,000</b>	<b>\$177,100</b>	<b>Salaries and Benefits Subtotal</b>	<b>\$226,786</b>	<b>Increase f/t sal by 15% to market rate; increase Admin Asst from 60% to 80%</b>	
		<b>Donor Cultivation/Stewardship/Events/Awareness</b>			
	\$0	PR, Communications, Advertising	\$5,610	UT Giving Guide and SD Gives, incr by 10%	Marketing & Communications - Foundation
\$8,000	\$4,000	Donor Cultivation - Donor Meetings and Visits	\$6,000	LY Budget and LIFE	Donor Cultivation & Stewardship
		Donor Cultivation - Payroll Donor Appreciation	\$1,265	incr by 10%	Donor Cultivation & Stewardship
		Donor Cultivation - Holiday Poinsettias	\$715	incr by 10%	Donor Cultivation & Stewardship
		Event: Donor Appreciation Event	\$3,465	incr by 10%	Events - Foundation
\$1,000	\$2,800	Events: College	\$1,673	incr by 10%	Events - Campus & Programs
<b>\$9,000</b>	<b>\$6,800</b>	<b>Donor Cultivation/Stew/Events/Awareness Subtotal</b>	<b>\$18,728</b>	<b>Incr for donor meetings/visits/tours and keep UT Giving Guide</b>	
		<b>Foundation and Donor Management</b>			
\$11,500	\$12,000	Audit & Tax Services: 5700-1028_SC	\$13,200	incr by 10%	Management
\$1,000	\$1,000	Professional Development	\$0	remove line - combined with below	Management
\$39,000	\$45,000	Donor Management Software and Online platforms	\$56,435	Vendor contracts - incr by 20%	Donor Management Systems
\$15,000	\$15,000	Banking Fees - 1041_SC - 51 Credit Card Merchant Charges	\$5,000	Revised donation form giving donors the option to cover bank cc fee	Donor Management Systems
\$20,000	\$20,000	Crowdsource Platform	\$0	remove for FY23/24 - low ROI w/o staffing	Donor Management Systems
\$15,000	\$5,000	Content development	\$5,000	Story writing	Donor Cultivation & Stewardship
\$26,880	\$27,000	Major Donor Art Storage & Insurance	\$25,400	\$950/mo + \$14k Ins. Artwork to sell for art program endowment and display. Final Yr	Campus Art Storage
<b>\$128,380</b>	<b>\$125,000</b>	<b>Foundation and Donor Management Subtotal</b>	<b>\$105,035</b>	<b>Eliminated crowdsource platform and digital media ad expense to accommodate increase in staffing and donor visits (higher ROI)</b>	
		<b>Meetings and Training</b>			
\$1,000	\$1,500	Board Meetings	\$1,000	Food: \$250/qtr	Foundation Board
	\$2,500	Board Training and Development	\$2,500	Training and strategic planning	Foundation Board
\$200	\$200	Staff Meetings and Development	\$2,000	Retreats, trainings and meetings	Management
\$0	\$0	Travel	\$0	remove - district paid	Management
\$500	\$500	Licenses & Filing Fees: 4500-1215_SC	\$0	remove - not used	Management
<b>\$1,700</b>	<b>\$4,700</b>	<b>Meetings and Training Subtotal</b>	<b>\$5,500</b>	<b>17% increase</b>	
		<b>Office Expenses</b>			
\$1,500	\$1,500	Supplies: 4500-1215_SC	\$1,000		Management
\$150	\$150	Postage (audit/grant proposals):	\$500		Management
\$15,000	\$10,000	Printing/Mailings/Publications: 4500-1004_SC	\$1,155		Management
\$1,700	\$0	Membership fees: 5300-1221_SC	\$0	remove	Management
<b>\$18,350</b>	<b>\$11,650</b>	<b>TOTAL:</b>	<b>\$2,655</b>	<b>Reduced printing costs</b>	
<b>\$307,430</b>	<b>\$325,250</b>	<b>TOTAL BUDGET</b>	<b>\$358,704</b>		
	<b>\$17,820</b>		<b>\$33,454</b>		
	<b>6%</b>		<b>10%</b>		

Financial Statements  
June 30, 2022

**MiraCosta College Foundation  
(A California Nonprofit Corporation)**

MiraCosta College Foundation

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June 30, 2022

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## **Independent Auditor's Report**

The Board of Directors  
MiraCosta College Foundation  
Oceanside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of MiraCosta College Foundation (the Foundation) (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



***Auditor's Responsibilities of the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Rancho Cucamonga, California

**██████████, 2023**

MiraCosta College Foundation  
Statement of Financial Position  
June 30, 2022

Assets	
Current assets	
Cash and cash equivalents	\$ 1,898,764
Prepaid and Other Assets	10,145
Investments	15,704,005
Investments related to deferred gifts	724,537
Accounts receivable	58,105
Unconditional promises to give	417,734
Donated artwork held for sale	426,799
	<u>19,240,089</u>
Total current assets	
Noncurrent assets	
Beneficial interest in assets held by the Foundation for California Community Colleges	762,750
Cash surrender value of life insurance	28,842
Unconditional promises to give - net of amortized discount	721,734
	<u>1,513,326</u>
Total noncurrent assets	
Total assets	
	<u>\$ 20,753,415</u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 24,308
Due to MiraCosta Community College District	135,886
	<u>160,194</u>
Total liabilities	
Net assets	
Without donor restrictions	
Undesignated	1,964,581
Board designated	444,630
	<u>2,409,211</u>
Total without donor restrictions	
With donor restrictions	
	<u>18,184,010</u>
Total net assets	
	<u>20,593,221</u>
Total liabilities and net assets	
	<u>\$ 20,753,415</u>

MiraCosta College Foundation  
Statement of Activities  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenues</b>			
Contributions, gifts, and grants	\$ 117,481	\$ 1,389,062	\$ 1,506,543
Contributions - assets held for sale	9,236	-	9,236
Contributions - gift in kind	-	73,025	73,025
Contributions - District donated gift in kind	135,828	215,480	351,308
Management fees	209,020	(209,020)	-
Net assets released from restrictions	1,315,500	(1,315,500)	-
<b>Total public support and revenues</b>	<b>1,787,065</b>	<b>153,047</b>	<b>1,940,112</b>
<b>Expenses</b>			
Program	1,315,500	-	1,315,500
Management and general	266,944	-	266,944
<b>Total expenses</b>	<b>1,582,444</b>	<b>-</b>	<b>1,582,444</b>
<b>Other Income</b>			
Unrealized loss on investments	(150,794)	(2,504,016)	(2,654,810)
Change in value of deferred gifts	-	81,823	81,823
Change in cash surrender value of life insurance	-	467	467
Change in value of beneficial interest in assets held by Foundation for California Community Colleges	-	(119,560)	(119,560)
Interest and dividends, net	3,137	-	3,137
<b>Total other income</b>	<b>(147,657)</b>	<b>(2,541,286)</b>	<b>(2,688,943)</b>
<b>Change in Net Assets</b>	<b>56,964</b>	<b>(2,388,239)</b>	<b>(2,331,275)</b>
<b>Net Assets, Beginning of Year</b>	<b>2,352,247</b>	<b>20,572,249</b>	<b>22,924,496</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,409,211</b>	<b>\$ 18,184,010</b>	<b>\$ 20,593,221</b>

MiraCosta College Foundation  
Statement of Functional Expenses  
Year Ended June 30, 2022

	Program	Management and General	Total
Foundation staff salaries and benefits	\$ 91,185	\$ 27,098	\$ 118,283
Donated salaries and benefits	208,200	132,466	340,666
Donated facility use	7,280	3,362	10,642
Gift in kind	73,025	-	73,025
Supplies	67,578	2,437	70,015
Other services	64,768	30,598	95,366
Travel, conferences, training	22,024	3,067	25,091
Dues and membership	12,040	451	12,491
Insurance	-	13,411	13,411
Utilities and custodial	224	-	224
Contract services	110,134	39,817	149,951
Audit	-	12,000	12,000
Advertising & postage	45,128	2,237	47,365
Direct student aid	527,994	-	527,994
Scholarships	85,920	-	85,920
	<u>\$ 1,315,500</u>	<u>\$ 266,944</u>	<u>\$ 1,582,444</u>
Total			

MiraCosta College Foundation  
Statement of Cash Flows  
Year Ended June 30, 2022

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Operating Activities	
Change in net assets	\$ (2,331,275)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Contributions restricted for long-term purposes	108,188
Net unrealized loss on investments	2,654,810
Distribution from beneficial interest in assets held by the Foundation for California Community Colleges	38,800
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	119,560
Change in value of deferred gifts	(81,823)
Cash surrender value of life insurance	(467)
Change in assets and liabilities	
Prepaid and other assets	(10,145)
Accounts receivable	(57,922)
Unconditional promises to give	134,581
Donated artwork held for sale	(9,236)
Accounts payable	19,046
Due to Miracosta Community College District	<u>64,284</u>
Net Cash Flows From Operating Activities	<u>648,401</u>
Investing Activities	
Withdrawal from endowment	505,852
Purchase of investments	<u>(431,881)</u>
Net Cash Flows From Investing Activities	<u>73,971</u>
Financing Activities	
Collections of contributions restricted for long-term purposes	<u>(108,188)</u>
Change in Cash and Cash Equivalents	614,184
Cash and Cash Equivalents, Beginning of Year	<u>1,284,580</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,898,764</u></u>

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

The MiraCosta College Foundation (the Foundation) is a non-profit public benefit corporation organized under the Non-profit Public Benefit Corporation Law of the State of California. The Foundation was incorporated on April 26, 1967, as an independent foundation established under the laws of the State of California. The purpose of the Foundation is to promote the benefits of the MiraCosta College (the College) and to assist in securing, managing and distributing resources for students in the community. The members of the Foundation's Board of Directors are composed of members from the local community. Advisors to the Board include the College President, College management staff, a member of the Board of Trustees, Senate Presidents and Associated Student Body President.

**Financial Statement Presentation**

The Foundation and the District are financially interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*, issued by the Financial Accounting Standards Board (FASB). 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 FASB has established the Accounting Standards of 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.

**Net Asset Accounting**

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

*Net Assets Without Donor Restrictions* - Net assets available for general use and not subject to donor or 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. In addition, the Foundation's Board has also designated various balances of net assets without donor restrictions for certain uses, as described in Note 12.

*Net Assets With Donor Restrictions* - Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

### **Revenue and Revenue Recognition**

The Foundation recognizes contributions, including unconditional promises to give, as revenues in the period the contribution or unconditional promise is received. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

Contributions are reported as 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 released from restrictions. When a donor's restriction is met within the same year as the donation, the donation is reported as net assets without donor restrictions.

### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income (interest and dividends) is included in the change in net assets from operations unless the gain or loss is restricted by donor or law.

### **Concentrations**

The Foundation maintains cash and investment balances at banks in excess of Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) limits. Deposit concentration risk is managed by placing cash and investment balances with financial institutions believed by the Foundation to be creditworthy. Management believes credit risk is limited.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principle requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of 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.

### **Donated Services and Goods and In-Kind Contributions**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. In addition, a number of volunteers have donated time to the Foundation's fundraising campaigns, which have not been reflected in the accompanying financial statements because the recognition criteria were not met. Donated salaries, benefits and facilities received from the District per the terms of the Master Agreement, are recorded as contributions at the estimated fair value that the Foundation would have otherwise paid for the same service. The value of those contributed items is recognized as both revenue and expense to the Foundation.

**Cash and Cash Equivalents**

Cash and cash equivalents are defined as all checking and money market accounts with an original maturity of 90 days or less.

**Pledges Receivable**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. When a restriction expires, donor-restricted net assets are reclassified to net assets without donor restrictions. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift. At June 30, 2022, unconditional promises to give have been recorded in the financial statements in the amount of \$1,139,468, net of unamortized discount.

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

**Beneficial Interest in Assets held by Community Foundation**

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

**Income Taxes**

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



MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

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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.

#### **Accounts Payable and Current Liabilities**

Accounts payable balance consists of expenditures incurred prior to fiscal year end, but not yet paid. Due to MiraCosta Community College District (the District) balance consists of payroll processed by the District on behalf of the Foundation and other miscellaneous expenditures owed to the District.

#### **Allocation of Functional Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

#### **Management Fee**

Endowments received by the Foundation are subject to a 1.5% endowment management fee. The fee is assessed annually at 1.5% of the endowment fund balance before distribution. In addition, the Foundation assesses a 5% gift fee on all planned gifts, at the time of receipt. Revenues received from management fees are used by the Foundation to cultivate and solicit new gifts, as well as pay for administrative overhead related to processing gifts and endowments.

#### **Change in Accounting Principle**

As of July 1, 2021, the Foundation adopted the provisions of Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires enhanced presentation and disclosure of contributed nonfinancial assets. Management has adopted the amendments of this update on a retrospective basis, because it provides increased and more transparent disclosure around contributed nonfinancial assets.

MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

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**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 date, comprise the following:

Cash and cash equivalents	\$ 1,898,764
Board reserves	50,000
Accounts receivable	<u>58,105</u>
	<u><u>\$ 2,006,869</u></u>

**Liquidity Management**

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. To ensure the stability of its mission, programs, employment, and ongoing operations, the Foundation maintains Board-Designated Operating Reserves. Quarterly, the Vice President, Institutional Advancement and the Finance Committee chair will determine if funds need to be transferred from the Operations Reserve Account (Vanguard) into local operating accounts to meet upcoming cash needs. The assets apportioned to the Reserve Account (Portfolio) are to be invested with the objective of security of principal and short-term liquidity.

**Note 3 - Unconditional Promises to Give**

The Foundation's unconditional promises to give consisted of the following at June 30, 2022:

Unconditional promises to give before unamortized discount and allowance for doubtful accounts	1,147,734
Less: Unamortized discount	<u>(8,266)</u>
Net Unconditional Promises to Give	<u><u>\$ 1,139,468</u></u>

Unconditional promises to give can be classified as without, or with donor restriction. Management has determined that all amounts are deemed collectible at June 30, 2022.

MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

The Foundation has been promised unconditional promises to give, which were classified as follows at June 30, 2022:

	Annual Fund	Deferred Action for Childhood Arrivals (DACA)	Hatoff Endowment
Amounts due in			
Due within one year	\$62,734	\$35,000	\$15,000
Due within one to five years	-	25,000	200,000
Less: Unamortized discount	-	(62)	(1,988)
Subtotal long-term portion of unconditional promises to give	-	24,938	198,012
Total	\$ 62,734	\$ 59,938	\$ 213,012
	Karetas Family	Promise Program	Total
Amounts due in			
Due within one year	\$5,000	\$300,000	\$ 417,734
Due within one to five years	5,000	500,000	730,000
Less: Unamortized discount	(13)	(6,203)	(8,266)
Subtotal long-term portion of unconditional promises to give	4,987	493,797	721,734
Total	\$ 9,987	\$ 793,797	\$ 1,139,468

The discount rate used was 0.25% for the year ended June 30, 2022.

**Note 4 - Donated Artwork Held For Sale**

During the year ended June 30, 2021, the Foundation received various works of art, which based on donor stipulations can be sold for the benefit of the Foundation's mission. The works of art were valued using independent appraisals. As of June 30, 2022, the balance of artwork held for sale was \$426,799.

MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

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**Note 5 - Investments**

Investments are stated at fair value and are summarized as of June 30, 2022:

Investments	
Investments	\$ 15,704,005
Deferred gifts	724,537
Beneficial interest in assets held by the Foundation for California Community Colleges	<u>762,750</u>
Total investments	<u><u>\$ 17,191,292</u></u>

The investment return consists of the following at June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 42,473	\$ -	\$ 42,473
Unrealized loss on investments	<u>(150,794)</u>	<u>(2,504,016)</u>	<u>(2,654,810)</u>
Total investment loss	(108,321)	(2,504,016)	(2,612,337)
Investment fees	<u>(39,336)</u>	-	<u>(39,336)</u>
Total investment loss, net of fees	<u><u>\$ (147,657)</u></u>	<u><u>\$ (2,504,016)</u></u>	<u><u>\$ (2,651,673)</u></u>

**Note 6 - Fair Value Measurement and Disclosures**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

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A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

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

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2022. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2022. The Foundation has no assets or liabilities recorded at fair value on a non-recurring basis as of June 30, 2022.

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Assets			
Equity	\$ 11,424,991	\$ -	\$ 11,424,991
Fixed income	4,279,014	-	4,279,014
Deferred gifts	-	724,537	724,537
Beneficial interest in assets held by the Foundation for California Community Colleges	-	762,750	762,750
	<u>\$ 15,704,005</u>	<u>\$ 1,487,287</u>	<u>\$ 17,191,292</u>
Total			

**Note 7 - Deferred Gifts**

The Foundation is the beneficiary of various charitable remainder trusts, administered by the Community College League of California and one individual trustor, which provide for the payment of distributions to the grantor or other designated beneficiary over the trust's term (generally the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available to the Foundation. The Foundation recognizes the fair value of its interest in the trust at the time the trust is established as a contribution. Fair value is based on the present value of the estimated future benefits to be received using discount rates ranging from 5.6% to 8.4%.

MiraCosta College Foundation  
Notes to Financial Statements  
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Assets held in the charitable remainder trusts totaled \$724,537 at June 30, 2022, and are reported at fair value or cost, depending on the nature of the assets in the statement of financial position. The Foundation revalues its liability to make distributions to the other designated beneficiaries annually based on mortality tables and other applicable factors. The revision of this liability together with the amortization of the discount associated with the contribution is reported as changes in the value of deferred gifts in the statement of activities.

**Note 8 - Beneficial Interest in Assets Held by the Foundation for California Community Colleges - Osher Endowment Scholarship**

The Foundation for California Community Colleges (FCCC) has created a permanent endowment fund intended to provide scholarship support to California Community College students in perpetuity. The fund began in May 2008 with a \$25 million lead gift from The Bernard Osher Foundation. The Bernard Osher Foundation will provide scholarship matching funds annually to colleges that participate. In order to take advantage of this opportunity, the District and its donors have contributed \$682,313. As of June 30, 2022, the ending balance of the Osher Endowment Scholarship was \$762,750. The Foundation receives no additional interest or dividends on the balance held at the FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Endowment Scholarship must remain in the fund permanently and cannot be returned or used for other purposes.

**Note 9 - Donor Designated Endowments**

The Foundation's financial assets consist of various funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowments funds, are classified and reported based on existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to permanent endowment, (b) plus the original value of subsequent gifts to the endowments, (c) plus accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not held in perpetuity is classified as net assets with donor restrictions and may be appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

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### Investment Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds by preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the institution. Endowment assets are invested in a well-diversified mix including equity and fixed-income securities, intended to provide an inflation-protected rate of return satisfying the distribution requirements while protecting the corpus. Investment risk is measured in terms of the total endowment fund, not individual endowments.

### Spending Policy

The Foundation's Board approved spending policy was created to protect the values of the endowments. An endowment spending rate of no more than 5.5% is based on a three-year moving average of current market values as of June 30, 2022. This rate is reviewed on an annual basis.

Endowment net asset composition by type of fund as of June 30, 2022, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Funds</u>
Donor-restricted endowment funds	\$ -	\$ 12,936,188	\$ 12,936,188
Board-designated endowment funds	394,630	-	394,630
Total	<u>\$ 394,630</u>	<u>\$ 12,936,188</u>	<u>\$ 13,330,818</u>

Changes in endowment net assets as of June 30, 2022, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Funds</u>
Balance at June 30, 2021	\$ 494,101	\$ 16,069,395	\$ 16,563,496
Contributions	-	108,188	108,188
Change in value of investments	(76,435)	(2,570,669)	(2,647,104)
Amounts appropriated for expenditures	(23,036)	(670,726)	(693,762)
Balance at June 30, 2022	<u>\$ 394,630</u>	<u>\$ 12,936,188</u>	<u>\$ 13,330,818</u>

MiraCosta College Foundation  
Notes to Financial Statements  
June 30, 2022

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**Note 10 - Restrictions of Net Asset Balances**

Donor-restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2022:

Deferred gifts and cash surrender value of life insurance	\$ 753,379
Campus Activity	2,682,207
Donor restricted endowments	1,408,770
Foundation scholarships	<u>1,129,923</u>
Total net assets with time/purpose restriction	<u><u>\$ 5,974,279</u></u>

Donor-restricted net assets with perpetual restrictions consist of the following at June 30, 2022:

Scholarship endowments	\$ 4,071,545
Beneficial interest in assets held by the Foundation for California Community Colleges	682,313
General endowments	<u>7,455,873</u>
Total net assets with perpetual restriction	<u><u>\$ 12,209,731</u></u>

**Note 11 - Net Assets Released from Restrictions**

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes were as listed below at June 30, 2022:

Scholarships and grants	\$ 613,914
Other program services	413,081
Donated salaries and facility use	215,480
Gift in Kind	<u>73,025</u>
Total	<u><u>\$ 1,315,500</u></u>

**Note 12 - Board Designated Net Assets**

Net assets without donor restrictions that have been Board designated consist of the following at June 30, 2022:

Board-designated endowment funds	\$ 394,630
General Reserves	<u>50,000</u>
Total	<u><u>\$ 444,630</u></u>



**Note 13 - Transactions with Related Entities**

There are certain administrative costs of the Foundation that are paid by the District in accordance with a Memorandum of Understanding between the District and the Foundation. The District believes that so long as the Foundation continues to adequately perform funds management and fundraising assistance to the District, the District's best interests are served by continuing to support the Foundation's operations by providing personnel, certain facilities, and administrative services including the services of the District's Vice President, Institutional Advancement.

For the year ended June 30, 2022, the Foundation received \$340,666 in donated salaries and benefits and \$10,642 in donated facilities from the District in alignment with the Memorandum of Understanding.

**Note 14 - 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, 2022 through \_\_\_\_\_, 2023, which is the date the financial statements were available to be issued.

## Title V Endowment Challenge Grant Summary for Foundation Board, April 2023

### Summary

- Grant Start Date: 10/1/2022
- Fiscal Year: 10/1 – 9/30
- 5-year, \$3M Grant: 10/1/2022 – 9/30/2027
- 20% of budget can be endowment (\$600k or \$120k/yr)
- **Board and Staff To Do:** Prepare and launch endowment campaign and set a short-term fundraising goal to achieve by 9/30/2023

### Grant Budget Submitted in Grant

- Endowment \$600,000
- MiraCosta College is requesting \$120,000 per year over the five-year grant period to build an Endowment Fund. MCC will comply with all Federal rules regarding investment of funds for at least 20 years and limit use to 50% of endowment fund income. Available endowment fund income will be used for scholarships, infrastructure upgrades, and professional development to continue progress toward project objectives as well as other institutional operating costs as needed.

### Endowment challenge Grant Overview

- (a) Must be matched by the institution receiving the grant with one dollar of non-Federal funds for every one dollar of Federal grant funds;
  - (b) Must be invested by the institution; and
  - (c) Must have a duration of 20 years.
- Sec. 628.10

### Donations (reference in grant as 'match')

- Must be cash or low-risk securities
- No pledges, deferred gifts, federal funds, borrowed funds
- Funds will be part of the corpus of the endowment.

### Investment

- Establish an endowment fund independent of any other endowment fund established by or for that institution (Sec. 628.41 – 2)
- Investment Standards – low risk, see Sec. 628.43
- Internally the foundation will set up a separate fund/work tag to hold the funds until invested
- **Questions for Finance Committee:** When to create? With Vanguard? What is minimum amount needed to invest?

### Investment Period and Spending Restrictions

- **Corpus 20-Year Investment Period.** The raised matching dollars and the federal dollars form the *corpus* of the endowment.

- During the 20-year endowment investment period, the grantee **may not** withdraw or spend any part of the endowment fund corpus.
- At the end of the investment period, the grantee may use any or all the funds as indicated in the proposal or for any educational purpose.

### Review by MCC Finance Department 5/31/2022:

No issues on the management/reporting requirements.

Considerations for the process:

- 1) Set this up as a Foundation endowment? Separate bank account, in a safe, low-risk securities (CD, mutual funds, stocks, bonds). I assume the endowment will be managed and reported in the Foundation ledger?
- 2) 20 years of reporting requirements
- 3) Allowed to use **interest earned** during the 20-year grant period. At the end of the grant period, endowment can be used for educational purposes. Earned income could be 1% to 3%, approx. \$12,000 - \$36,000, depending on investment strategy.

MCC Finance Department will reach out to our External Auditor, when the grant is awarded, to discuss the auditor compliance requirements.

### Grant Proposal Summary of three strategies:

#### Strategy #1: Conexiones y Carrera

- **Career-Focused Onboarding:** Deploy *Promotoras* in Hispanic service area communities to promote the socioeconomic value of an education at MCC
- **Internships:** Partner with industry and community entities to develop and place students in paid internships
- **Stackable Certifications:** Strengthen on-ramps from certificate to degree programs for MCC's Hispanic adult learners through student-centered scheduling, stackable maps, and cohort supports

#### Strategy #2: Cariño y Confianza

- **Student Success Technology:** Expand cohort management software to develop and (auto) disseminate targeted, culturally-relevant communication about supports and resources
- **Holistic Network of Care:** Develop a sustainable ecosystem to provide cohort management support, timely referrals to academic support, basic needs/mental health support, and financial resources
- **Affordability & Access:** Address course materials costs by converting courses to Zero-Textbook Cost courses and augmenting financial aid orientation and connections

#### Strategy #3: Cultura y Comunidad

- **Alliance for Latinx Upward Mobility:** Create a centralized coordinating entity for a *Promotoras* model, equity-minded teaching excellence, and support of Faculty Data Coaches
- **Comprehensive Professional Development:** Develop PD with certificates in a Pedagogy of Cariño: 1) cultural competency, 2) career relevancy, and 3) trauma-informed pedagogy
- **Faculty Data Coach Program:** Train faculty to access and utilize division, section, and course data to inform improvements to curriculum and materials through the Curriculum Equity Audit



Prepared for

# MiraCosta College Foundation



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# Agenda

- I. March 31, 2023 performance summary
- II. Market and economic outlook
- III. Banking unrest

**Presented by:**

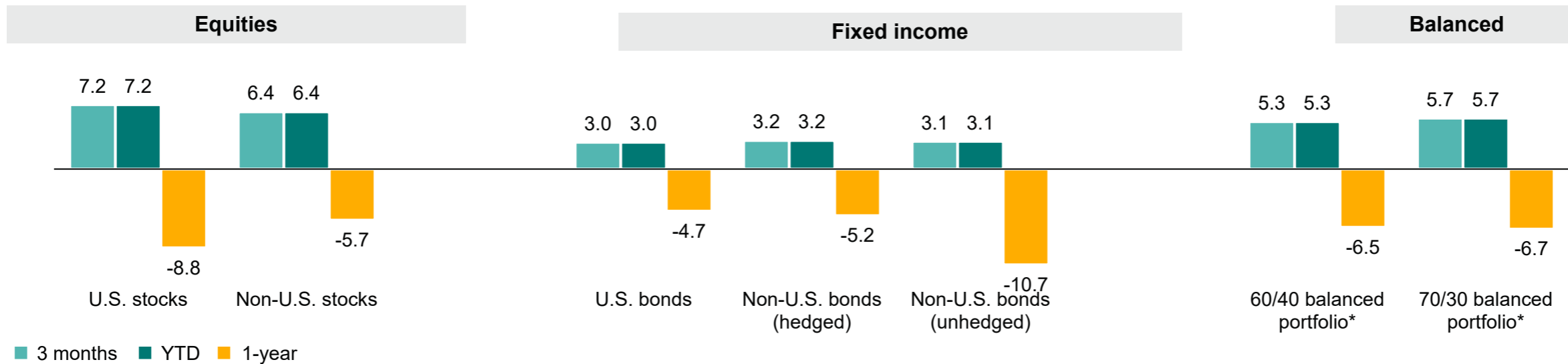
Andrew Maslick, CFP®, CAIA  
Senior Investment Consultant  
VIAS

# March 31, 2023 performance summary

# Navigating with optimism

- Markets finished in the green for March despite volatility and concerns.
- Credit Suisse, Silicon Valley Bank, and Silvergate create most of the buzz around the decline in the beginning of the month.
- Yellen and Powell remain confident in banking and the economy as inflation continues to cool and job market remains resilient.
- Federal Reserve remains on course with another interest rate increase of 25 bps.

## Global market returns as of March 31, 2023 (%)



**Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

Sources: Bloomberg, CRSP, and FTSE.

U.S. stocks (CRSP U.S. Total Market Index), non-U.S. stocks (FTSE Global All-Cap ex-U.S. Index), U.S. bonds (Bloomberg U.S. Aggregate Float Adjusted Index), non-U.S. bonds hedged (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), non-U.S. bonds unhedged (Bloomberg Global Aggregate Index ex USD).

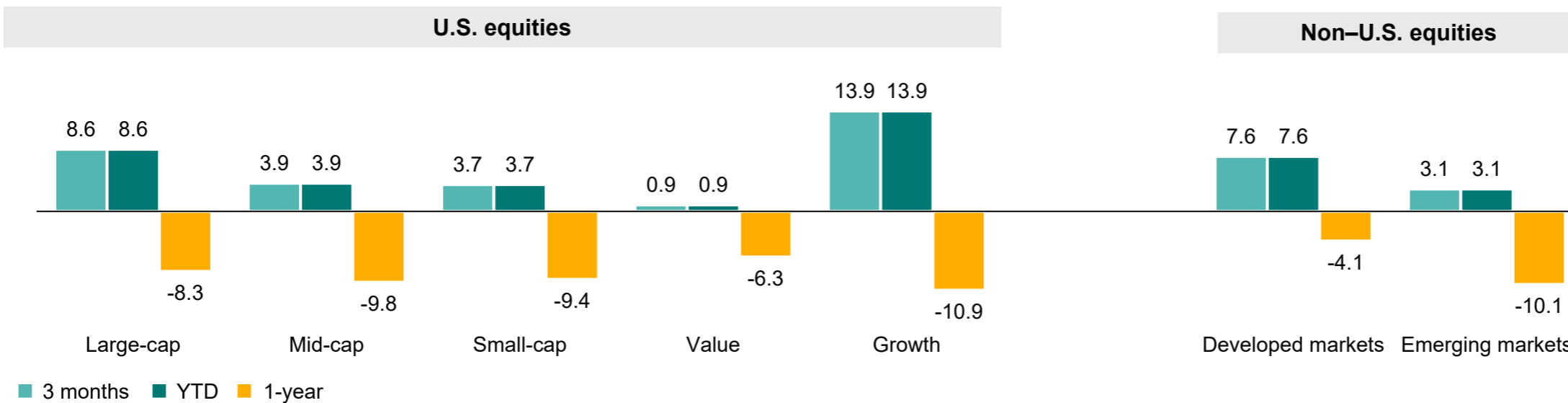
\* 60/40 balanced portfolio Static Composite (36% U.S. stocks, 24% international stocks, and 28% investment-grade U.S. bonds, 12% investment-grade international bonds).

\*\* 70/30 balanced portfolio Static Composite (42% U.S. stocks, 28% international stocks, and 21% investment-grade U.S. bonds, 9% investment-grade international bonds).

# Equities are starting to pick up steam for 2023

- Bank of England and The European Central Bank raise interest rates in the month of March.
- U.S. Equity markets finished positive for the first quarter of 2023.
- Large, Mid, and Small Cap all saw positive first quarters following the push in March.

Global equity market returns as of March 31, 2023 (%)



**Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

Sources: FTSE, MSCI, Russell, CRSP and Dow Jones.

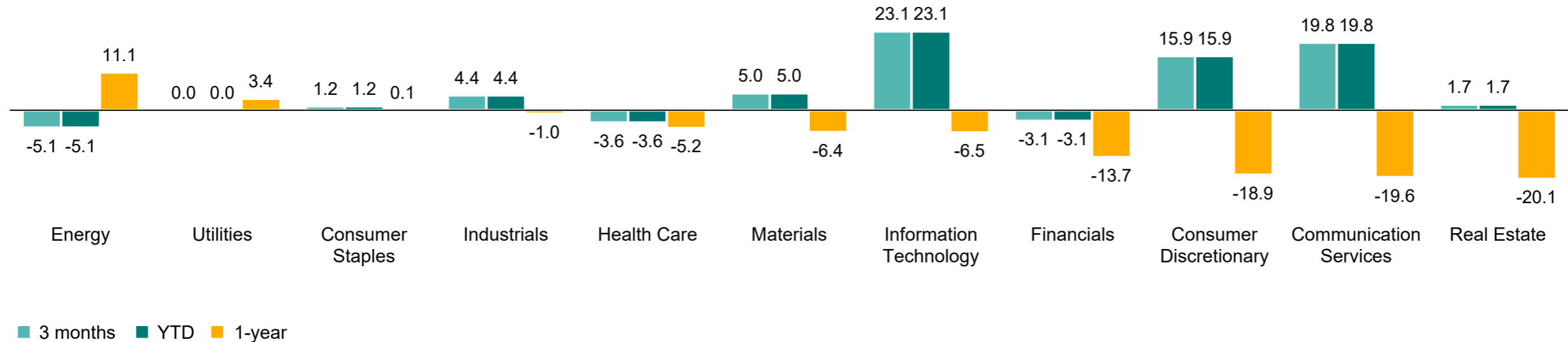
Large-cap (CRSP US Mega Cap Index), Mid-cap (CRSP US Mid Cap Index), Small-cap (CRSP US Small Cap Index); Value (Russell 3000 Value Index), Growth (Russell 3000 Growth Index); Developed markets (FTSE Developed All Cap ex-US Index), Emerging markets (FTSE Emerging Markets All Cap China A Inclusion Index).



# The tide is beginning to change

- Information Tech and Consumer Discretionary bounce back after a long 2022.
- Banks were the anchor holding down financials for the month as consumers continue to monitor the situation with caution.
- The expectation of interest rate cuts at the end of 2023 have created a tilt in investment.

**U.S. equity sector returns as of March 31, 2023 (%)**



**Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

Source: FactSet.

U.S. markets measured by CRSP U.S. Total Market Index.

## Portfolio valuation summary

### Miracosta College Foundation

As of March 31, 2023

	December 31, 2022	March 31, 2023
Endowment	\$13,818,780.46	\$12,792,908.27
Excess Reserve	\$2,004,279.70	\$3,348,906.37
Reserve	\$0	\$1,002,110.47
<b>Ending Market Value</b>	<b>\$15,823,060.16</b>	<b>\$17,143,925.11</b>

**Source:** Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

# Portfolio monthly snapshot

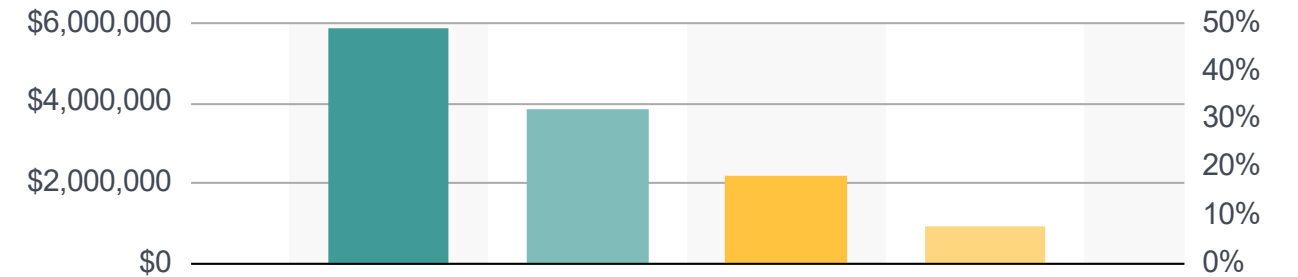
## Miracosta College Foundation - Endowment Portfolio

As of March 31, 2023

### Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$14,304,485.72	\$13,818,780.46	\$15,706,920.99
Net Cash Flow	-\$1,786,424.05	-\$1,776,168.52	-\$1,771,405.98
Net Capital Appreciation	\$236,890.98	\$698,455.29	-\$1,449,883.04
Investment Income	\$37,955.61	\$51,841.03	\$307,276.30
<b>Ending Market Value</b>	<b>\$12,792,908.27</b>	<b>\$12,792,908.27</b>	<b>\$12,792,908.27</b>

### Current asset allocation by sub-asset class



	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Non-U.S. Fixed Income
Current	\$5,855,618	\$3,818,105	\$2,183,708	\$935,478
Current %	45.77%	29.85%	17.07%	7.31%
Policy %	45.00%	30.00%	17.50%	7.50%
Difference	0.77%	-0.15%	-0.43%	-0.19%

### Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
<b>Client portfolio (gross)</b>	2.46	5.99	5.99	-6.78	11.49	5.89	-	6.86	01/31/14
<b>Client portfolio (net)</b>	2.46	5.93	5.93	-7.01	11.27	5.67	-	6.60	01/31/14
<b>Policy benchmark</b>	2.45	5.92	5.92	-6.58	11.32	5.91	-	6.87	01/31/14

**Source:** Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

## Performance summary

### Miracosta College Foundation - Endowment Portfolio

For the periods ended March 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
<b>Client portfolio (gross)</b>	12,792,908	100.0	100.0	2.46	5.99	5.99	-6.78	11.49	5.89	-	6.86	01/31/14
<b>Client portfolio (net)</b>				2.46	5.93	5.93	-7.01	11.27	5.67	-	6.60	01/31/14
<b>Policy benchmark</b>				2.45	5.92	5.92	-6.58	11.32	5.91	-	6.87	01/31/14
<b>Equity</b>	<b>9,673,723</b>	<b>75.6</b>	<b>75.0</b>	<b>2.58</b>	<b>6.91</b>	<b>6.91</b>	<b>-7.30</b>	<b>16.12</b>	<b>7.25</b>	<b>-</b>	<b>8.40</b>	<b>01/31/14</b>
Equity - Benchmark				2.42	6.86	6.86	-7.41	16.09	7.30	-	8.38	01/31/14
• Domestic Equity	5,855,618	45.8	45.0	2.63	7.15	7.15	-8.77	18.36	10.36	-	10.94	01/31/14
• International Equity	3,818,105	29.8	30.0	2.63	6.65	6.65	-4.60	12.70	2.51	-	4.13	01/31/14
<b>Fixed Income</b>	<b>3,119,186</b>	<b>24.4</b>	<b>25.0</b>	<b>2.45</b>	<b>3.29</b>	<b>3.29</b>	<b>-4.54</b>	<b>-2.05</b>	<b>1.05</b>	<b>-</b>	<b>1.80</b>	<b>01/31/14</b>
Fixed Income - Benchmark				2.51	3.06	3.06	-4.83	-2.70	0.79	-	1.69	01/31/14
• Domestic Fixed Income	2,183,708	17.1	17.5	2.50	3.18	3.18	-4.31	-1.76	1.38	-	1.80	01/31/14
• International Fixed Income	935,478	7.3	7.5	2.34	3.57	3.57	-5.06	-2.72	0.28	-	1.90	01/31/14

**Source:** Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

# Portfolio monthly snapshot

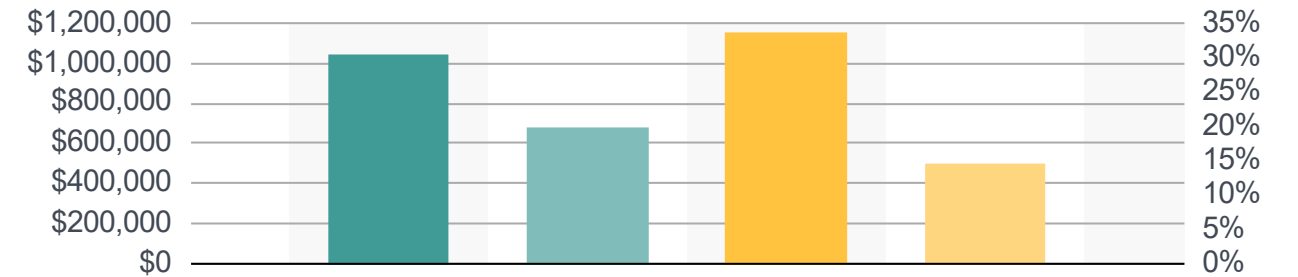
## MiraCosta College Foundation - Excess Reserve Portfolio

As of March 31, 2023

### Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$2,053,722.02	\$2,004,279.70	\$2,243,685.51
Net Cash Flow	\$1,205,505.66	\$1,204,252.99	\$1,200,407.46
Net Capital Appreciation	\$80,992.05	\$127,361.61	-\$145,083.09
Investment Income	\$8,686.63	\$13,012.07	\$49,896.48
<b>Ending Market Value</b>	<b>\$3,348,906.37</b>	<b>\$3,348,906.37</b>	<b>\$3,348,906.37</b>

### Current asset allocation by sub-asset class



	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Non-U.S. Fixed Income
Current	\$1,033,040	\$673,557	\$1,150,913	\$491,395
Current %	30.85%	20.11%	34.37%	14.67%
Policy %	30.00%	20.00%	35.00%	15.00%
Difference	0.85%	0.11%	-0.63%	-0.33%

### Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
<b>Client portfolio (gross)</b>	2.51	5.10	5.10	-5.94	6.05	4.01	-	5.19	03/31/16
<b>Client portfolio (net)</b>	2.51	5.04	5.04	-6.17	5.83	3.79	-	4.95	03/31/16
<b>Policy benchmark</b>	2.47	4.97	4.97	-5.87	5.74	4.10	-	5.12	03/31/16

**Source:** Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

## Performance summary

### Miracosta College Foundation - Excess Reserve Portfolio

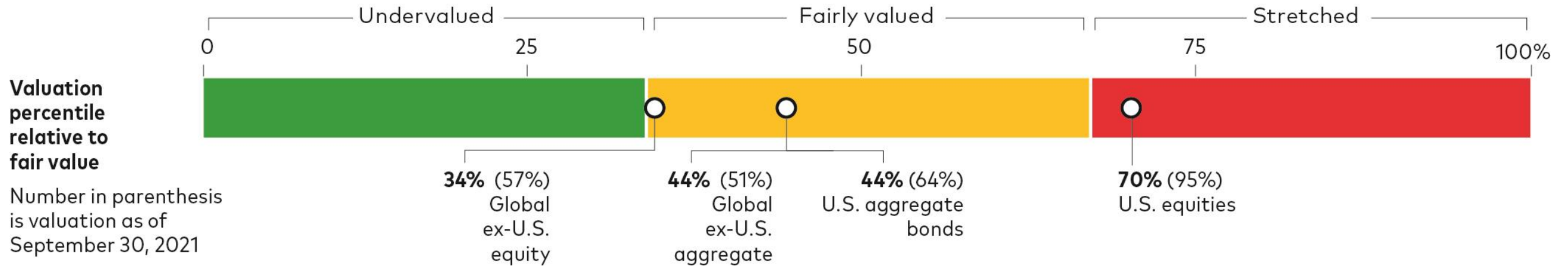
For the periods ended March 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
<b>Client portfolio (gross)</b>	3,348,906	100.0	100.0	2.51	5.10	5.10	-5.94	6.05	4.01	-	5.19	03/31/16
<b>Client portfolio (net)</b>				2.51	5.04	5.04	-6.17	5.83	3.79	-	4.95	03/31/16
<b>Policy benchmark</b>				2.47	4.97	4.97	-5.87	5.74	4.10	-	5.12	03/31/16
<b>Equity</b>	<b>1,706,598</b>	<b>51.0</b>	<b>50.0</b>	<b>2.60</b>	<b>6.93</b>	<b>6.93</b>	<b>-7.25</b>	<b>14.39</b>	<b>6.64</b>	<b>-</b>	<b>8.89</b>	<b>03/31/16</b>
Equity - Benchmark				2.42	6.86	6.86	-7.41	14.31	6.86	-	8.94	03/31/16
• Domestic Equity	1,033,040	30.8	30.0	2.75	7.27	7.27	-8.67	18.40	10.39	-	11.95	03/31/16
• International Equity	673,557	20.1	20.0	2.81	6.84	6.84	-4.43	12.88	2.61	-	6.11	03/31/16
<b>Fixed Income</b>	<b>1,642,309</b>	<b>49.0</b>	<b>50.0</b>	<b>2.44</b>	<b>3.28</b>	<b>3.28</b>	<b>-4.51</b>	<b>-2.03</b>	<b>1.06</b>	<b>-</b>	<b>1.16</b>	<b>03/31/16</b>
Fixed Income - Benchmark				2.51	3.06	3.06	-4.83	-2.70	0.79	-	0.95	03/31/16
• Domestic Fixed Income	1,150,913	34.4	35.0	2.48	3.15	3.15	-4.28	-1.74	1.39	-	1.29	03/31/16
• International Fixed Income	491,395	14.7	15.0	1.84	3.06	3.06	-5.53	-2.88	0.18	-	0.76	03/31/16

**Source:** Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

# Market and economic outlook

# Equity and bond valuations are attractive



Notes: The U.S. valuation measure is the current cyclically adjusted price/earnings ratio (CAPE) percentile relative to fair-value CAPE for the Standard & Poor's Composite Index from 1940 to 1957 and the S&P 500 Index from 1957 through September 30, 2022. Global ex-U.S. equity is a 70% developed markets/30% emerging markets blend. Developed-market equity valuation measures are the current CAPE percentile relative to the fair-value CAPE for the local MSCI index. The ex-U.S. developed markets valuation measure is the market-weighted average of each region's (Australia, U.K., euro area, Japan, and Canada) valuation percentile. Emerging markets is based on the percentile rank based on our fair-value model relative to the market. U.S. aggregate bonds are the weighted average between intermediate-term credit and Treasury valuation percentiles. The global ex-U.S. aggregate valuation measure is the market-weighted average of each region's (Australia, U.K., euro area, Japan, and Canada) valuation percentile. The valuation percentiles in parenthesis are as of one year prior.

Sources: Vanguard calculations, based on Robert Shiller's website, at [aida.wss.yale.edu/~shiller/data.htm](http://aida.wss.yale.edu/~shiller/data.htm), the U.S. Bureau of Labor Statistics, the Federal Reserve Board, and Refinitiv, as of September 30, 2022, and September 30, 2021.

**IMPORTANT: The projections and other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of September 30, 2022, and September 30, 2021. Results from the model may vary with each use and over time.**



# 2023 outlook at a glance

## Asset-class return outlooks

Our ten-year annualized nominal return projections, as of December 31, 2022, are shown below. Please note the figures are based on a 2-point range around the 50th percentile of the distribution of return outcomes for equities and a 1-point range around the 50th percentile for fixed income.

### U.S. equities

**4.4%–6.4%**

17.2% median volatility

### U.S. aggregate bonds

**4.0%–5.0%**

5.5% median volatility

### Global equities ex-U.S. (unhedged)

**6.7%–8.7%**

18.5% median volatility

### Global bonds ex-U.S. (hedged)

**3.9%–4.9%**

4.4% median volatility

These probabilistic return assumptions depend on market conditions at the time of running of the VCMM and, as such, change with each running over time..

**IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from the VCMM are derived from 10,000 simulations for each modeled asset class. Simulations are as of December 31, 2022. Results from the model may vary with each use and over time. For more information, see Important information page.**

Source: Vanguard Investment Strategy Group.

# Forward-looking analysis generated by Vanguard Portfolio Construction Solutions™

Portfolio Solutions	Asset Classes	50/50	75/25
<ul style="list-style-type: none"> <li>✓ Review portfolio strategy</li> <li>✓ Maintain a disciplined approach, adhere to enduring investment principles, and maintain a long-term focus</li> <li>✓ Update investment policy statement to reflect strategy and allocation</li> </ul>	Public U.S. Equity	30%	42%
	Public Non-U.S. Equity	30%	28%
	Fixed Income	50%	30%
	Private Real Estate	0%	0%
	Private Equity	0%	0%
	Cash	0%	0%
	<b>Expected Outcomes 10-year</b>		
	Median Nominal Return	5.58%	5.98%
	Nominal Return Ranges (25 <sup>th</sup> to 75 <sup>th</sup> percentile)	4.30% - 6.91%	4.14% - 7.86%
	Probability of meeting or exceeding 5% Nominal Return	62.22%	64.10%
	Probability of meeting or exceeding 5% Real Return	19.78%	30.41%
	Probability of a negative return of 10% or worse in any given year (nominal)	23.75%	60.83%
	Probability of a negative return of 20% or worse in any given year (nominal)	1.78%	12.59%

**IMPORTANT:** The projections and other information generated by the Vanguard Capital Market Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of December 31, 2022. Results from the model may vary with each use and over time. For more information, please see the important information slide.

# Vanguard March 2023 market and economic outlook



## Implications for our outlook

Given the above-trend activity in some core leading indicators, it could take longer for the business cycle to turn, and we have adjusted our outlook to reflect that.

Our base case remains that there will be a shallow recession in late 2023, but that the odds of a “later landing” have increased. The economy should nevertheless post GDP growth of around 0.75% this year—half a percentage point higher than our previous expectation—and just shy of 2% next year.



## Unemployment slated to climb slightly

Stronger economic activity could lead to fewer job losses and more stubborn inflation readings. We expect the unemployment rate to climb a little more modestly from its current 54-year low to around 4.5%–5.0% by the end of this year and to be at a similar level at the end of 2024.



## More rate hikes ahead

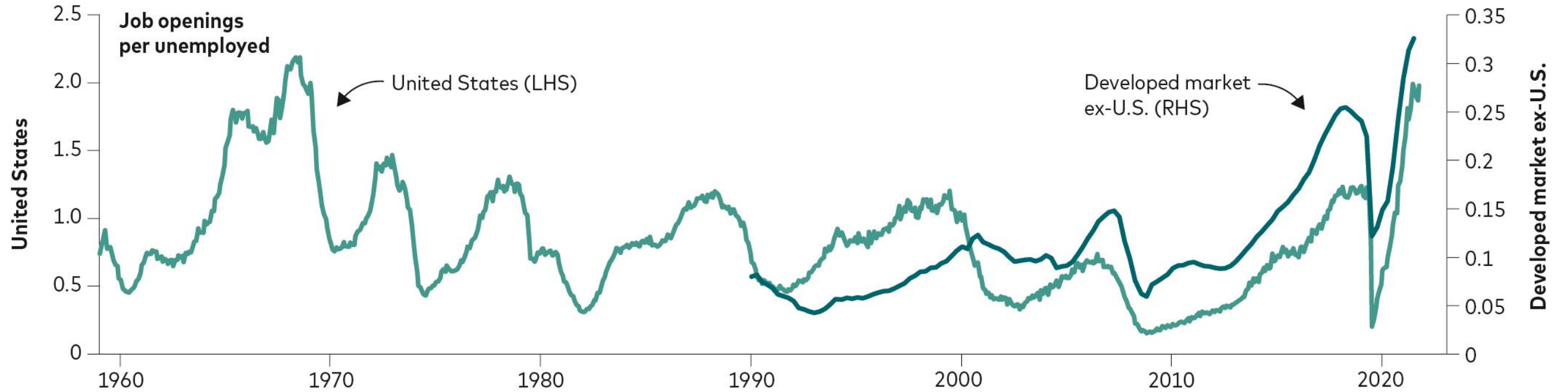
The Fed will need to keep raising rates given this backdrop. We now see its rate target peaking in a range of 5.50%– 5.75%. “Our outlook has held that stubborn inflation would require restrictive policy well into 2024,” said Hirt. “We believe the current state of the economy is providing evidence that this will indeed be necessary.”



## It will take longer to meet the Fed’s inflation target

We expect the Personal Consumption Expenditures Price Index (the Fed’s preferred inflation yardstick) to end 2023 around 3% before falling closer to the Fed’s 2% target in 2024.

# Employers having trouble filling vacant jobs

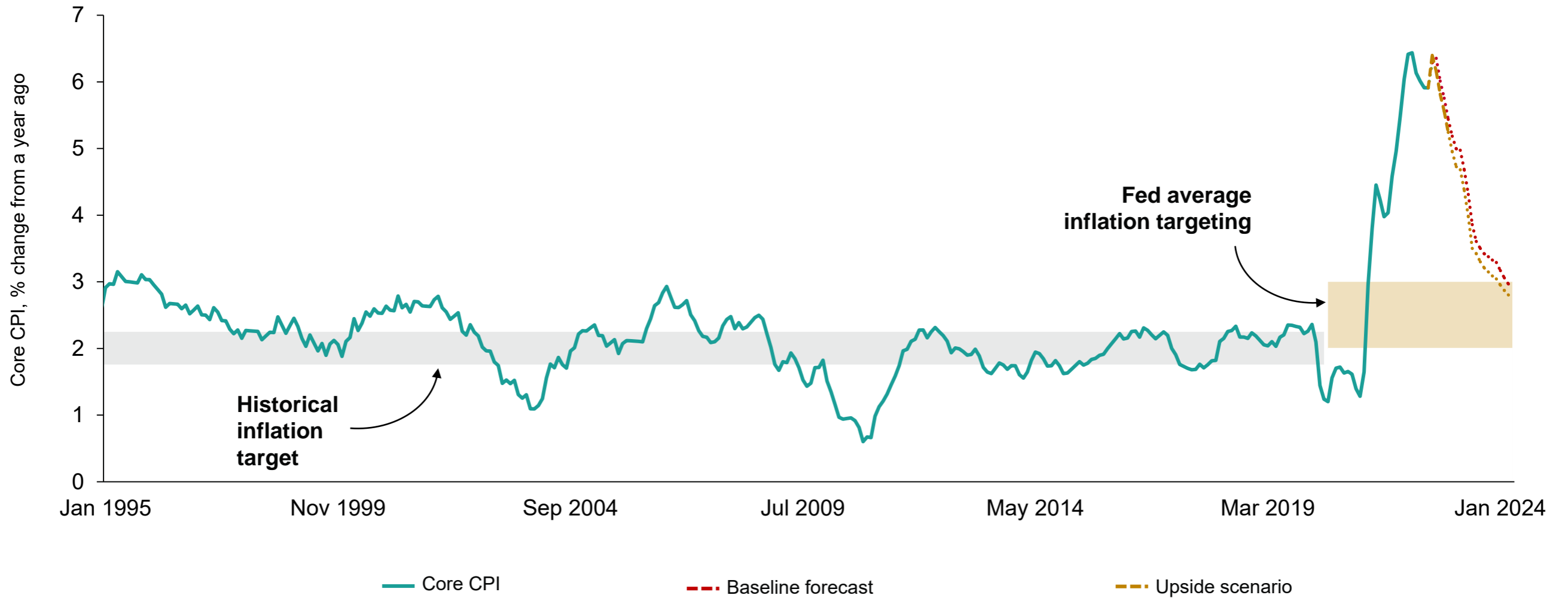


Note: Data include Australia, Austria, Belgium, the Czech Republic, Finland, Germany, Japan, Norway, Portugal, Spain, Sweden, the United Kingdom, and the United States.

Sources: Vanguard calculations, based on data from Thomson Reuters Datastream, as of October 31, 2022.

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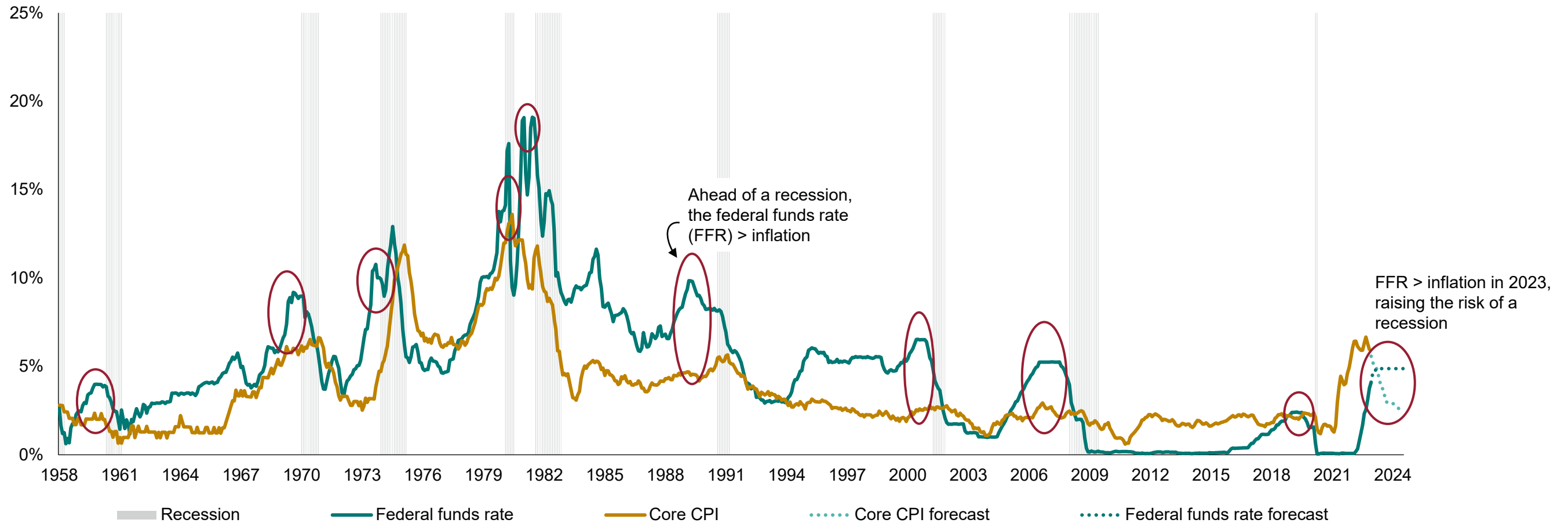
# Vanguard's Inflation Projection



**Notes:** Data and Vanguard forecasts are for year-over-year percentage changes in the Core Consumer Price Index (CPI), which excludes volatile food and energy. Actual inflation is until August 2022, and two scenarios for future inflation are shown.

**Sources:** Vanguard calculations, using data from Bloomberg and Refinitiv, as of August 30, 2022.

# Short-term interest rates that are higher than inflation are historically a necessary condition for recession

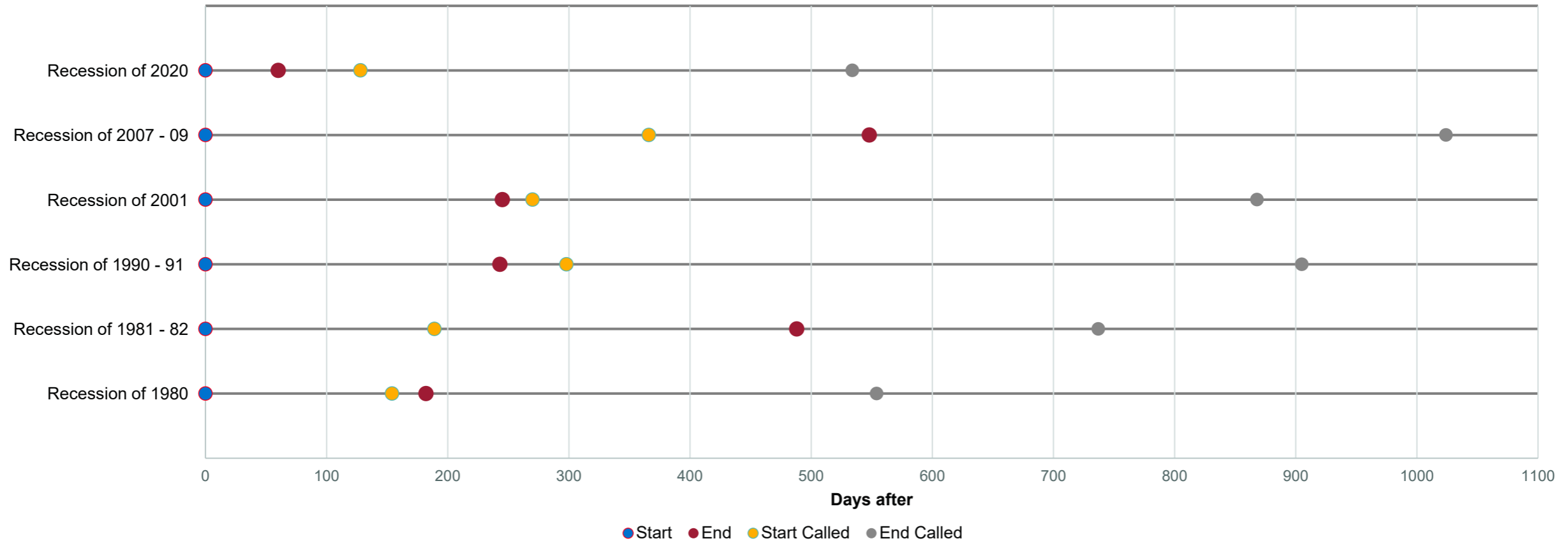


**Notes:** Core CPI data are for year-on-year percentage changes in the core Consumer Price Index (CPI), monthly frequency. The federal funds rate is the effective federal funds rate in percentage points, monthly frequency.

**Sources:** Vanguard calculations, using data from the Federal Reserve Bank of St. Louis. Inflation data are from January 1958 through October 2022.

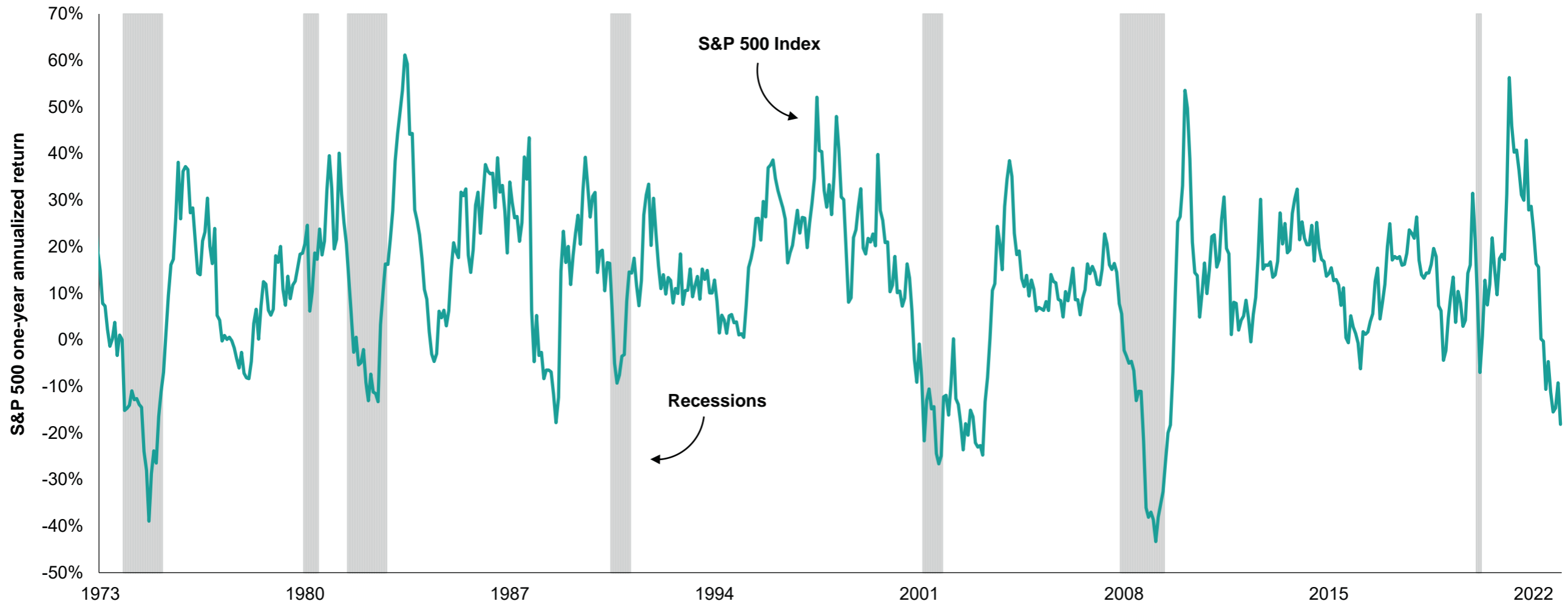
# How long does it take to call a recession?

The National Bureau of Economic Research (NBER) cannot officially designate a recession until after it starts as it relies on government statistics reported at various lags.



NBER defines a recession as a significant decline in economic activity that is spread across the economy and that lasts more than a few months.  
Source: NBER

# Stocks start to recover before recessions end



**Notes:** This chart shows the one-year annualized returns for the Standard & Poor's 500 Index from 1973 through 2022. The shaded areas represent months where the U.S. economy was in recession as defined by the National Bureau of Economic Research (NBER).

**Sources:** Vanguard calculations as of December 31, 2022, using data from Refinitiv.

**Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

All investments are subject to risk, including the possible loss of the money you invest. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account.

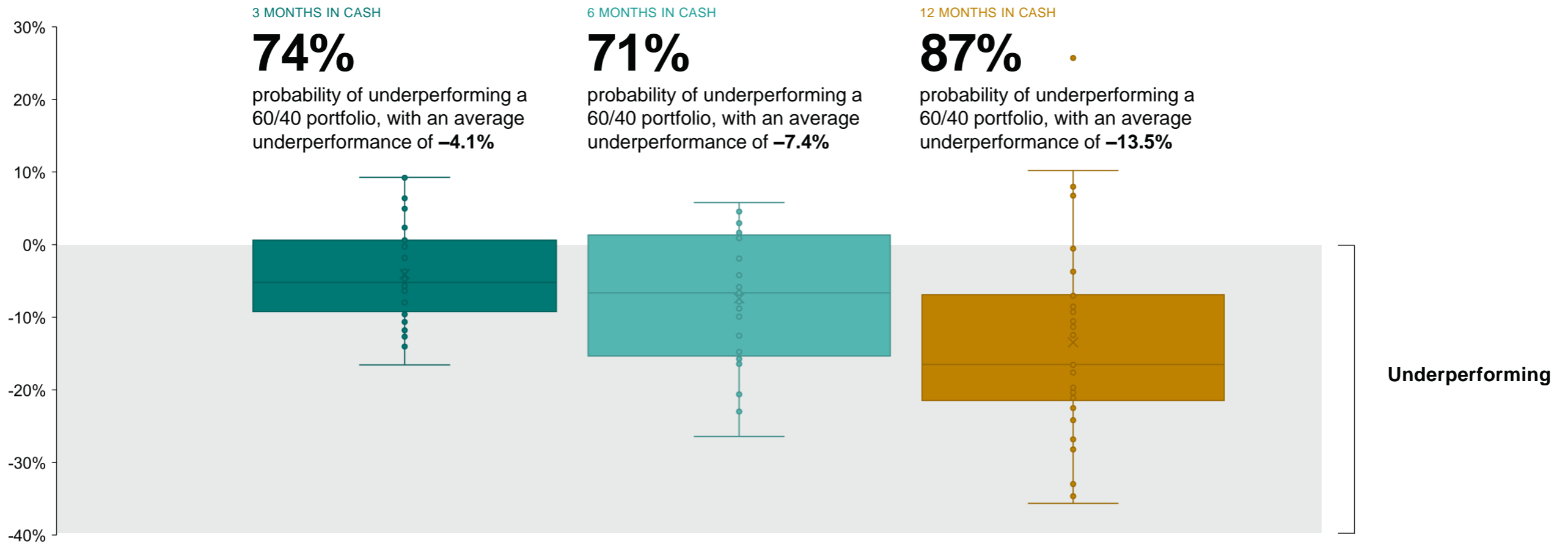
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# Moving to cash in a panic rarely pays off

## Return distribution of moving to 100% cash



**Notes:** Equities in the 60% equity/40% fixed income portfolio are represented by the Russell 3000 Index, and fixed income is represented by the Bloomberg U.S. Aggregate Bond Index. Cash is represented by the FTSE 3-Month Treasury Bill Index. Monthly data are from January 1980 through December 2022. Equity losses of more than 10% over three months trigger the move from a 60/40 portfolio to all cash in the illustration.

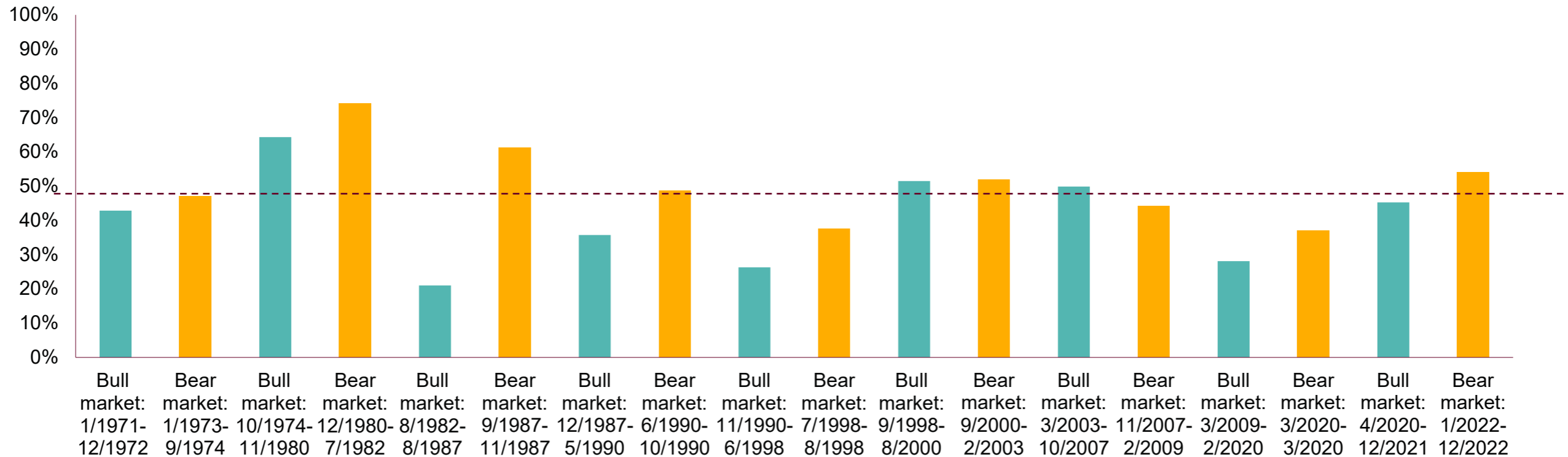
**Source:** Vanguard total return calculations, as of December 31, 2022.

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# Debunking some misconceptions: “Active managers outperform in bear markets”

Percentage of managers outperforming market during bull and bear cycles

Active fund managers vs. U.S. Stock Market Returns



Sources: Vanguard calculations using data from Morningstar and Dow Jones. For U.S. stock market returns, we use the Standard & Poor’s 500 Index from 1971 to 1974; the Dow Jones U.S. Total Stock Market Index from 1975 to April 22, 2005; and the MSCI US Broad Market Index thereafter.

**Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

# Market leadership changes

- Emerging markets equities appears at both the top and bottom multiple times, illustrating the relatively high volatility of single asset classes
- The balanced composite generally falls near the middle, demonstrating the volatility dampening effect of high-grade fixed income and the consistency resulting from holding a broadly diversified portfolio
- U.S. stock returns exceeded non-U.S. stock returns by a significant amount over the past ten years, yet it's important to remember that recent outperformance by a sub-asset class or market segment does not imply future outperformance

Source: Vanguard. Last observation: December 31, 2022; 10-year average performance from December 31, 2011 through December 31, 2022.

\* Source: Hedge Fund Research, Inc.

\*\* U.S. stocks: MSCI U.S. Broad Market Index.

† International Stocks: FTSE Global All Cap ex-US Index.

†† Bonds: Bloomberg US Aggregate Bond Index and Bloomberg Global Aggregate ex-USD Index Hedged.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	10-Year Average
	Sml 38.8	REIT 30.4	Grw 5.1	Sml 21.3	Emg 31.1	IB 3.2	Grw 35.8	Grw 38.3	REIT 43.1	Cmd 13.8	Grw 13.8
	Grw 34.2	Lrg 13.2	REIT 2.5	Val 18.4	Grw 29.6	T-Bill 1.9	Lrg 31.4	Lrg 21.0	Cmd 27.1	T-Bill 1.5	Lrg 12.4
	Lrg 33.1	Val 12.7	IB 1.4	HY 17.1	Dev 26.3	Bnd 0.0	Val 26.3	Sml 20.0	Lrg 26.5	HF -4.4	Val 10.2
	Val 32.7	Grw 12.4	Lrg 0.9	Lrg 12.1	Lrg 21.7	HY -2.1	REIT 25.8	Emg 15.5	Grw 25.8	Val -8.0	Sml 9.0
	Dev 20.5	IB 8.8	Bnd 0.5	Cmd 11.4	Bal 16.5	Grw -2.1	Sml 25.5	Bal 13.4	Val 25.4	IB -9.8	Bal 6.5
	Bal 16.8	Bal 6.4	T-Bill 0.0	Emg 10.3	Sml 14.6	REIT -4.6	Dev 22.3	Dev 10.0	Sml 14.8	HY -11.2	REIT 6.5
	HY 7.4	Bnd 6.0	Bal -0.6	REIT 8.6	Val 13.2	Lrg -4.8	Bal 20.7	Bnd 7.5	Bal 12.0	Bnd -13.0	Dev 4.8
	HF 6.7	Sml 4.9	Dev -1.8	Grw 7.4	HY 7.5	Bal -5.5	Emg 20.4	HY 7.1	Dev 11.6	Dev -15.6	HY 4.0
	REIT 2.5	Emg 2.6	HF -3.6	Bal 7.3	HF 6.0	HF -6.7	HY 14.3	HF 6.8	HY 5.3	Bal -15.9	Emg 2.1
	IB 1.2	HY 2.5	Val -4.1	IB 4.9	REIT 5.1	Val -8.6	Bnd 8.7	IB 3.9	HF 3.7	Emg -17.6	IB 2.1
	T-Bill 0.1	T-Bill 0.0	Sml -4.4	Dev 3.1	Bnd 3.5	Sml -11.0	HF 8.6	Val 2.9	Emg 1.5	Lrg -19.1	HF 1.8
	Bnd -2.0	HF -0.6	HY -4.5	Bnd 2.6	IB 2.5	Cmd -13.0	IB 7.6	T-Bill 0.6	T-Bill 0.0	Sml -20.4	Bnd 1.1
	Emg -3.2	Dev -4.4	Emg -13.5	HF 2.5	T-Bill 0.8	Emg -14.8	Cmd 5.4	Cmd -3.5	IB -1.4	REIT -24.5	T-Bill 0.7
	Cmd -9.6	Cmd -17.0	Cmd -24.7	T-Bill 0.3	Cmd 0.7	Dev -14.8	T-Bill 2.3	REIT -7.6	Bnd -1.5	Grw -29.0	Cmd -2.1

<b>Val</b>	Value oriented U.S. based stocks (Russell 3000 Value Index)
<b>Grw</b>	Growth oriented U.S. based stocks (Russell 3000 Growth Index)
<b>Lrg</b>	Large U.S. based stocks (Russell 1000 Index)
<b>Sml</b>	Small U.S. based stocks (Russell 2000 Index)
<b>Dev</b>	International stocks from developed countries (FTSE Developed All Cap ex US Index)
<b>Emg</b>	International stocks from emerging countries (FTSE Emerging ACap CN A Inclus Idx)
<b>Bnd</b>	Investment-grade U.S. bonds (Bloomberg US Aggregate Bond Index)
<b>HY</b>	High-yield U.S. bonds (Bloomberg US Corp High Yield Index)
<b>IB</b>	Investment-grade international bonds (Bloomberg GA ex-USD Index Hedged)
<b>T-Bill</b>	Short-term Treasury rates (Citigroup 3-Month US T-Bill Index)
<b>REIT</b>	U.S. public equity real estate (REIT) (MSCI US REIT Index)
<b>Cmd</b>	Commodities (Bloomberg Commodity Index)
<b>HF</b>	Hedge funds (HFRX Global Hedge Fund Index*)
<b>Bal</b>	Balanced Static Composite (39% U.S. stocks**, 26% Int'l stocks†, 24.5% Invest-grade U.S. bonds††, 10.5% Invest-grade Int'l bonds††)

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

# Indexes for VCMM simulations

The long-term returns of our hypothetical portfolios are based on data for the appropriate market indexes through September 30, 2022. We chose these benchmarks to provide the most complete history possible, and we apportioned the global allocations to align with Vanguard’s guidance in constructing diversified portfolios. Asset classes and their representative forecast indexes are as follows:

- U.S. equities:** MSCI U.S. Broad Market Index.
- Global ex-U.S. equities:** MSCI All Country World ex U.S.A Index.
- U.S. REITs:** FTSE/NAREIT U.S. Real Estate Index.
- U.S. cash:** U.S. 3-Month Treasury—constant maturity.
- U.S. Treasury bonds:** Bloomberg U.S. Treasury Index.
- U.S. short-term Treasury bonds:** Bloomberg U.S. 1–5 Year Treasury Bond Index.
- U.S. long-term Treasury bonds:** Bloomberg U.S. Long Treasury Bond Index.
- U.S. credit bonds:** Bloomberg Barclays U.S. Credit Bond Index.
- U.S. short-term credit bonds:** Bloomberg U.S. 1–3 Year Credit Bond Index.
- U.S. high-yield corporate bonds:** Bloomberg U.S. High Yield Corporate Bond Index.
- U.S. bonds:** Bloomberg U.S. Aggregate Bond Index.
- Global ex-U.S. bonds:** Bloomberg Global Aggregate ex-U.S.D Index.
- U.S. TIPS:** Bloomberg U.S. Treasury Inflation Protected Securities Index.
- U.S. short-term TIPS:** Bloomberg U.S. 1–5 Year Treasury Inflation Protected Securities Index.
- Extended Duration:** Bloomberg U.S. Treasury STRIPS 25+ Years.
- Commodities:** Bloomberg Commodity Index.
- Inflation:** Consumer Price Index – All Urban Consumers.
- Duration neutral total credit:** Proprietary weighting of ST, IT, LT credit to target VIAS duration.

- Emerging Market Gov’t Bonds:** Bloomberg EM U.S.D Sovereign – 10% Country Capped.
- U.S. Value Factor:** Proprietary calculation (see table to right).
- U.S. Growth Factor:** Proprietary calculation (see table to right).
- U.S. Large Factor:** Proprietary calculation (see table to right).
- U.S. Small Factor:** Proprietary calculation (see table to right).
- U.S. Mortgage Backed Securities:** Bloomberg Barclays U.S. Mortgage Backed Securities.

Factor	Data start point	Succinct definition	Selection universe	Weighting scheme
Value	January 1980	1/3 of stocks with the lowest price-to-book ratio	Russell 1000 index	Market-capitalization-weighted
Growth	January 1980	1/3 of stocks with the highest price-to-book ratio	Russell 1000 index	Market-capitalization-weighted
Large-cap	January 1980	2/3 of stocks with the highest market capitalization	Russell 1000 index	Market-capitalization-weighted
Mid-cap	January 1980	1/3 of stocks with the lowest market capitalization	Russell 1000 index	Market-capitalization-weighted
Small-cap	January 1980	2/3 of stocks with the lowest market capitalization	Russell 3000 index	Market-capitalization-weighted

# Important information

**IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.**

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More importantly, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

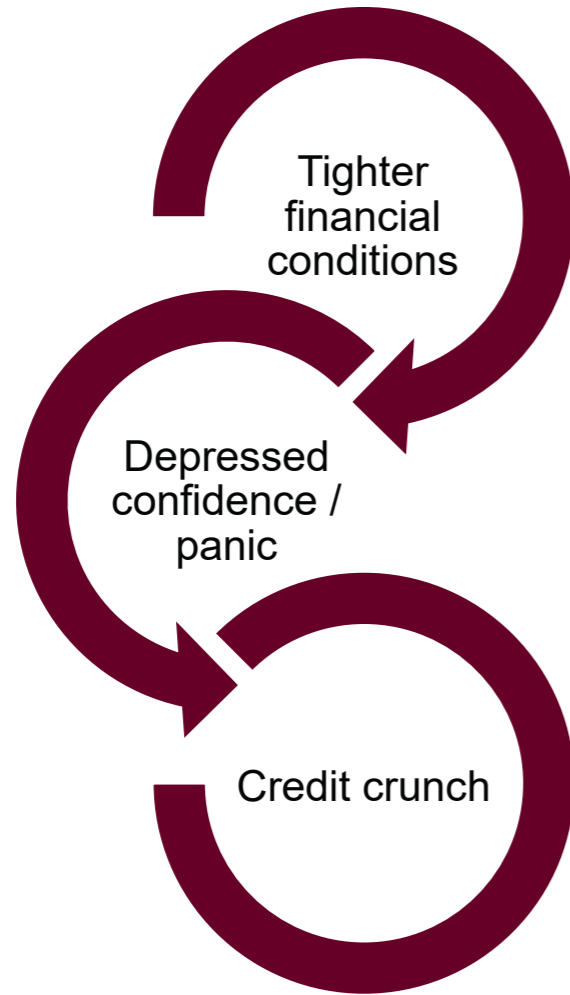
The Vanguard Capital Markets Model® is a proprietary financial simulation tool developed and maintained by Vanguard's primary investment research and advice teams. The model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time.

# Banking unrest

# Key takeaways

- Stresses in the banking sector (SVB, Credit Suisse) induced significant volatility in financial markets; prompting fears of a credit crunch & evoking memories of the GFC.
- Central banks stepped in to provide liquidity support.
- Markets in risk-off mode & significantly pared back expectations of further interest rate rises. 2-3 rate cuts now priced-in for the Fed later this year.
- In our base case, we view the banking shocks as temporary and contagion to be limited but acknowledge the elevated risks of *'other things breaking'*. We stick to our call for higher CB rates and a mild recession this year.

# How could a banking collapse flow through to the real economy?



## Scenarios

### (1) Contained & temporary shock:

- Limited contagion.
- Macro conditions revert to those prevalent before bank crises.
- No change to views.

### (2) Moderate contagion:

- Problems continue to emerge but confined to Europe and US financial sector.
- Private-sector credit growth continues to fall & financial conditions remain tight.

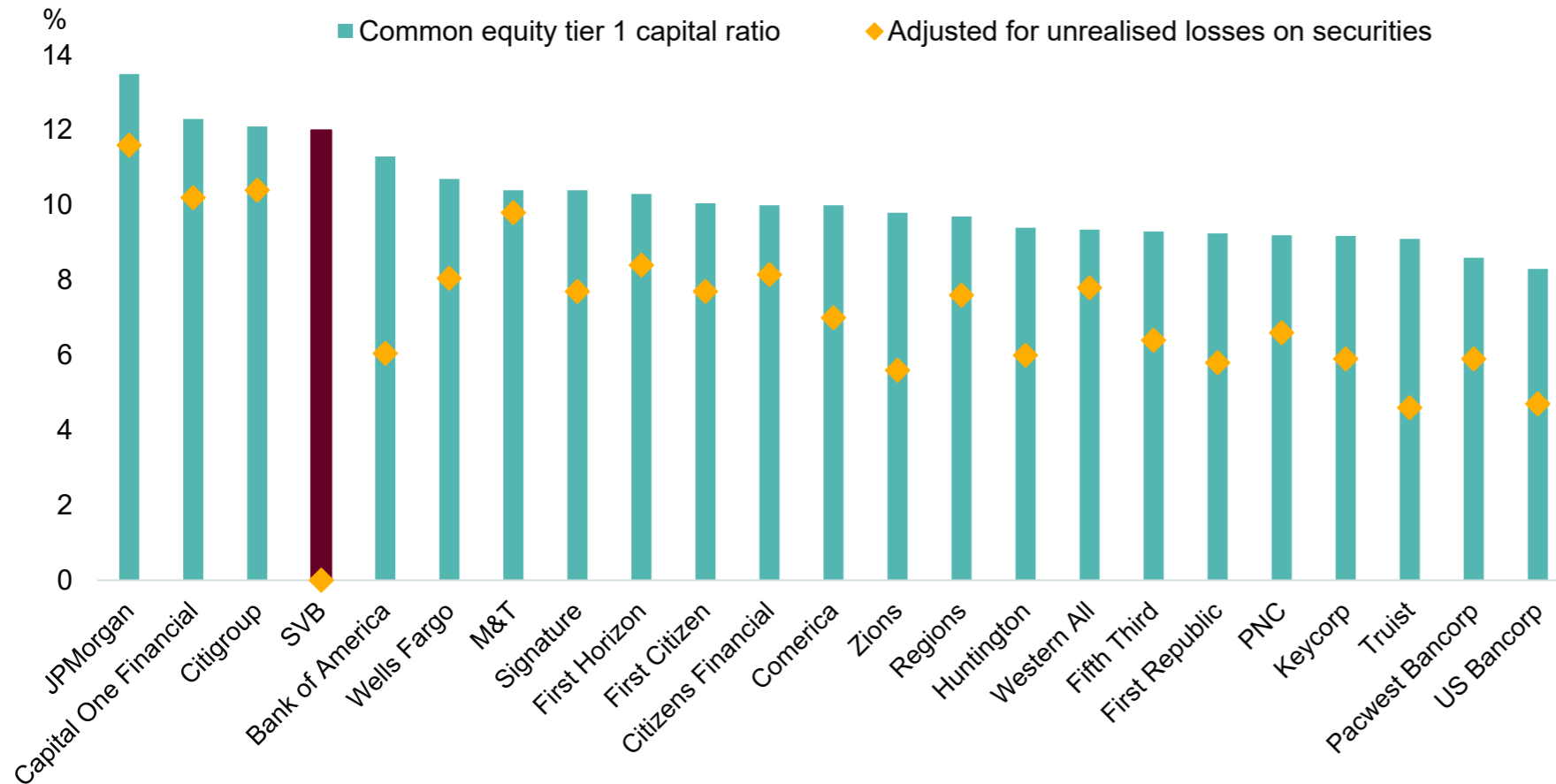
### (3) Severe contagion:

- Bank crises lifts the hood on severe hidden risks in the global financial system.
- Central bank response insufficient to prevent a loss of confidence and significant credit crunch.



# SVB was an exception, not the rule

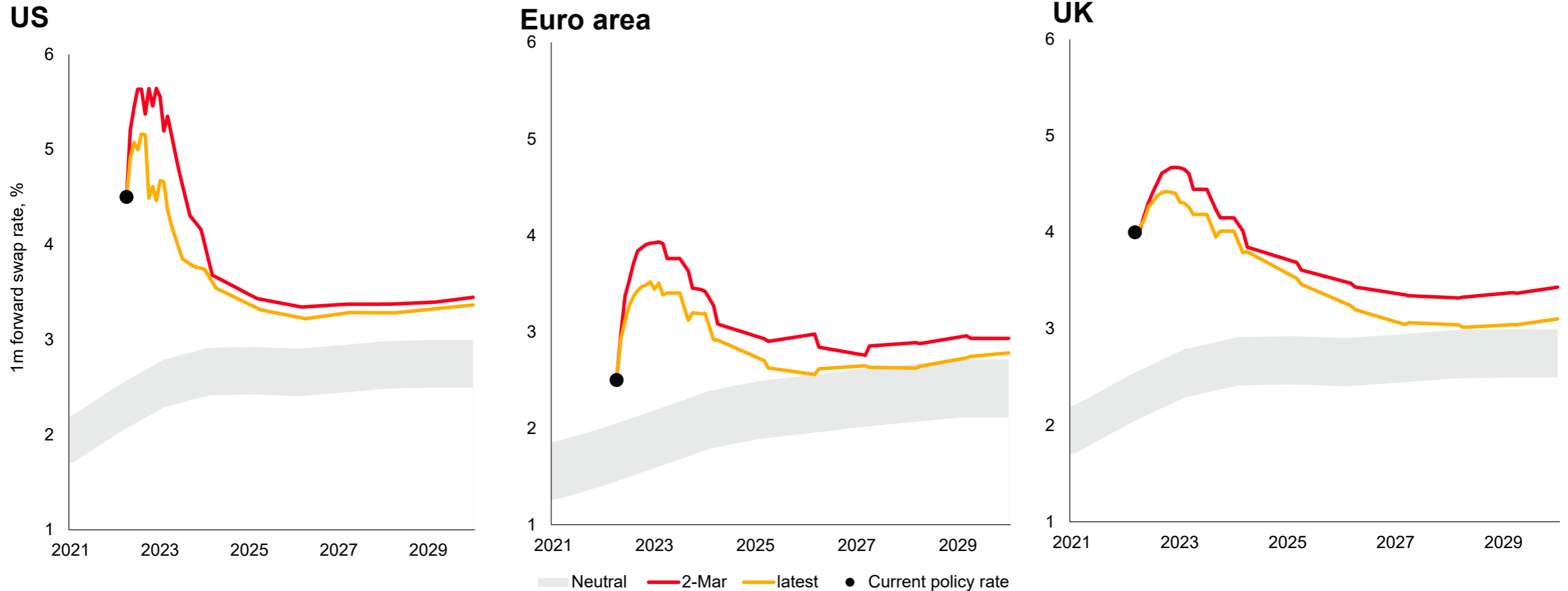
## US bank capital ratios, adjusted for unrealised losses on securities



- Most regional US banks still have a positive capital base, even after adjusting for unrealised losses.
- SVB was the exception. Poor risk management.

Source: Financial Times, Vanguard, as at Q4 2022

# Financial market reaction (2): Rate hike expectations pared back



Note: Monthly data from March 2023 until December 2030. Market expectations for central bank policy rates at a given time are represented by one-month forward swap rates. Shaded bands represent Vanguard neutral rate estimates, which are determined by long-term economic factors and are subject to a wide band of statistical uncertainty. Estimates of the nominal neutral rate assume inflation of 2% in the US & UK, and 1.8% in the euro area. US terminal rate shows the lower bound of the target federal funds rate. Source: Vanguard calculations, using data from Bloomberg, as of 14 March 2023.

# Important information

***For more information about any fund, visit [institutional.vanguard.com](https://institutional.vanguard.com) or call 866-499-8473 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.***

***Vanguard ETF® Shares are not redeemable with the issuing fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.***

Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Funds that concentrate on a relatively narrow sector face the risk of higher share-price volatility. It is possible that tax-managed funds will not meet their objective of being tax-efficient. Because company stock funds concentrate on a single stock, they are considered riskier than diversified stock funds.

Investments in bond funds are subject to the risk that an issuer will fail to make payments on time and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments. High-yield bonds generally have medium- and lower-range credit quality ratings and are therefore subject to a higher level of credit risk than bonds with higher credit quality ratings. Although the income from a municipal bond fund is exempt from federal tax, you may owe taxes on any capital gains realized through the fund's trading or through your own redemption of shares. For some investors, a portion of the fund's income may be subject to state and local taxes, as well as to the federal Alternative Minimum Tax. Diversification does not ensure a profit or protect against a loss. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest.

Investments in Target Retirement Funds and Trusts are subject to the risks of their underlying funds. The year in the fund or trust name refers to the approximate year (the target date) when an investor in the fund or trust would retire and leave the workforce. The fund/trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Trust/Fund and Income and Growth Trust have fixed investment allocations and are designed for investors who are already retired. An investment in a Target Retirement Fund or Trust is not guaranteed at any time, including on or after the target date.

Vanguard is responsible only for selecting the underlying funds and periodically rebalancing the holdings of target-date investments. The asset allocations Vanguard has selected for the Target Retirement Funds are based on our investment experience and are geared to the average investor. Investors should regularly check the asset mix of the option they choose to ensure it is appropriate for their current situation.

Vanguard collective trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc.

*A stable value investment is neither insured nor guaranteed by the U.S. government. There is no assurance that the investment will be able to maintain a stable net asset value, and it is possible to lose money in such an investment.*

## Benchmark descriptions

### Policy Benchmark:

The client's policy benchmark is a weighted set of indices that align to the Investment Management Agreement Schedule B which sets forth the strategic asset allocation for the client portfolio. The Policy Benchmark is rebalanced monthly. Allocations may change overtime as the investment strategy changes. See Benchmark allocation history for details.

The benchmarks for asset and sub-asset classes on the Performance summary reports is determined by the client's primary policy benchmark. Asset and sub-asset class benchmarks are a proportionally representation of their segment within the client's primary policy benchmark and adjusts over time with the changes in the policy benchmark. See Benchmark allocation history for details.

### Vanguard spliced benchmarks:

Spliced Total Stock Market Index: Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.

Spliced Total International Stock Index: Total International Composite Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.

Spliced Emerging Markets Index: Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; FTSE Emerging Markets All Cap China A Transition Index through September 18, 2016; and FTSE Emerging Markets All Cap China A Inclusion Index thereafter. Benchmark returns are adjusted for withholding taxes.

Spliced Extended Market Index reflects the performance of the Dow Jones U.S. Completion Total Stock Market Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.

Spliced Dev ex North America Index reflects the performance of the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index thereafter

Real Estate Spliced Index: MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Spliced Bloomberg U.S. Aggregate Float Adjusted Index: Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.

Spliced Bloomberg U.S. 1-5Yr Government/Credit Float Adjusted Index: Bloomberg U.S. 1-5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1-5 Year Government/Credit Float Adjusted Index thereafter.

Spliced Bloomberg U.S. Long Government/Credit Float Adjusted Index: Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. Long Government/Credit Float Adjusted Index thereafter.

Spliced Intermediate Investment-Grade Debt Funds Average: Lipper Intermediate US Gov't Funds Average through December 31, 2001; Lipper Intermediate Inv-Grade Debt Funds Avg through August 31, 2013; Lipper Core Bond Funds Average thereafter.

Spliced Small Cap Value Index: S&P SmallCap 600/Barra Value Index through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.

## Benchmark descriptions (continued)

### Market benchmarks:

Balanced Composite Index: Weighted 60% Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) and 40% Lehman Brothers U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter.

Bloomberg Barclays 1-5 Yr Credit (Ret): The index measures the performance of the investment grade, US dollar denominated, fixed-rate, taxable corporate and government related bonds with maturity of 1-5 years. It is comprised of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Bloomberg Barclays 1-5 Yr Treas (Ret): The index measures the performance of US treasuries with maturity of 1 to 4.9999 Years.

Bloomberg Barclays Global Aggregate ex USD Float Adjusted RIC - USD Hedged (Ret): The index measures the performance of the global, investment-grade, fixed rate debt markets, including government, government agency, corporate and securitized non-U.S. fixed income investments - all issued in currencies other than the U.S. dollar and with maturities of more than one year - with the foreign currency exposure of the securities included in the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged to the Canadian dollar. It is market capitalization-weighted.

Bloomberg Barclays Global Aggregate ex USD TR USD (Ret): The index measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities.

Bloomberg Barclays Intermediate U.S. Treasury (Ret): The index measures the performance of public obligations of the U.S. Treasury with maturities of 1-10 years, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays Long A+ U.S. Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component with maturities of 10 years and greater that includes foreign agencies, sovereigns, supranationals and local authorities. It applies a more or less stringent set of constraints to any existing index. The index is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays Long Term U.S. Treasury (Ret): This index measure the performance of U,S. treasury bill with long term maturity. The credit level for this index is investment grade. The rebalance scheme is monthly.

Bloomberg Barclays Treasury 1-5 Year (Ret): This index measures the performance of US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 1-5 years maturities.

Bloomberg Barclays U.S. Aggregate (Ret): The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg Barclays U.S. Aggregate Float Adjusted (Ret): The index measures the performance of a new benchmark of the broad fixed-rate USD-denominated investment grade bond market that excludes securities held in the Federal Reserve System Open Market Account (SOMA).

Bloomberg Barclays U.S. Corporate High Yield (Ret): The index measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds, including corporate bonds, fixed-rate bullet, puttable, and callable bonds, SEC Rule 144A securities, Original issue zeros, Pay-in-kind (PIK) bonds, Fixed-rate and fixed-to-floating capital securities.

Bloomberg Barclays U.S. Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays U.S. Credit: 5-10 Yr (Ret): The index measures the performance of the US Corporate and a non-corporate component with maturities of 5-10 year that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

## Benchmark descriptions (continued)

Bloomberg Barclays U.S. Gov/Credit Float Adjusted: Long (Ret): The index measures the performance of the non-securitized component of the US Aggregate index with maturities of 10 years and greater. It uses alternative weighting schemes instead of market value weights.

Bloomberg Barclays U.S. Intermediate Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities with maturities of 1-10 years. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays U.S. Long Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities with maturities of 10 years and greater. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays U.S. Treasury (Ret): The index measures the performance of public obligations of the U.S. Treasury, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays U.S. Treasury TIPS 0-5 Years (Ret): The index measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L) with the 0-5 years maturities.

Bloomberg Barclays U.S. Treasury TIPS 1-5 Years (Ret): The index measures the performance of inflation-protected securities with maturities of 1-5 years issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L), with a 38.5% market value weight in the index (as of December 31, 2010), but is not eligible for other nominal Treasury or Aggregate indices.

Bloomberg Barclays U.S. Treasury: 5-10 Yr (Ret): The index measures the performance of public obligations of the U.S. Treasury with maturities of 5-10 years, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays U.S. Treasury: Long (Ret): The index measures the performance of public obligations of the U.S. Treasury with maturities of 10 years and greater, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays U.S. Treasury: U.S. TIPS (Ret): The index measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).

Bloomberg Barclays US Treasury Inflation Notes 5+ Years (Ret): The index measures the performance of inflation-protected securities issued by the U.S. Treasury (TIPS) with the maturities more than 5 years.

Bloomberg Barclays USD Emerging Markets Government RIC (Ret): The index measures the performance of US dollar-denominated bonds issued by emerging market governments, government agencies and government-owned corporations with maturities longer than one year. CRSP US Total Market: The index measures the performance of broad US securities that traded on NYSE, NYSE Market, NANASDAQ or ARCA. It captures nearly 100% of the US investable equity market with around 4000 constituents across mega, large, small and micro capitalizations.

Dow Jones U.S. Total Stock Market Index: The index measures the performance of all US equity securities with readily available prices. It represents the top 95% of the US stock market based on market capitalization. The index is float-adjusted market capitalization weighted.

FTSE GLOBAL ALL CAP EX US INDEX: The index measures the performance of large, mid and small cap stocks globally excluding the US. It is derived from the FTSE Global Equity Index Series (GEIS). The index is market-capitalization weighted.

MSCI ACWI - Daily: The index measures the performance of the large and mid cap segments of all country markets. It is free float-adjusted market-capitalization weighted.

MSCI ACWI ex USA - Daily: The index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

## Benchmark descriptions (continued)

MSCI EM (EMERGING MARKETS) - Daily: The index measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

MSCI US BROAD MARKET INDEX - Daily: The index measures the performance of broad US equity market. It includes constituents across large, mid, small and micro capitalizations, representing most of the US equity universe. The index is free float adjusted market-capitalization weighted.

MSCI US REIT INDEX - Daily: The index measures the performance of the large, mid and small cap segments of the US equity securities. It is comprised of Equity REITs securities and based on the MSCI USA Investable Market Index, with the exception of Mortgage REIT and selected Specialized REITs. The index represents approximately most of the US REIT universe and securities are classified in the REIT sector according to the Global Industry Classification Standard. It is a free float market capitalization weighted index.

MSCI WORLD ex USA - Daily - Net: The index measures the performance of the large and mid cap segments of world, excluding US equity securities. It is free float-adjusted market-capitalization weighted.

Consumer Price Index for all Urban Consumers (CPI-U): This index measures the changes in prices of goods and services purchased by urban households.

IA SBBI US Inflation: An unmanaged index designed to track the U.S. inflation rate. The Consumer Price Index for All Urban Consumers, or CPI-U, is used by IA SBBI to measure inflation, which is the rate of change of consumer goods prices.

US Treasury T-Bill Auction Ave 3 Month: Three-month T-bills are government backed-short-term investments considered to be risk-free and as good as cash because the maturity is only three months. Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.



## Additional Information

**Gross Portfolio Returns** represent client-specific time-weighted returns (TWR) of the entire portfolio including the deduction of mutual fund expense ratios, purchase/redemption fees, and other security-level expenses, but gross of advisory and service fees applied to the client portfolio.

**Client performance inception date** is generally the first month-end after initial funding.

**Lipper Fund Average performance** figures assume the reinvestment of dividends and capital gains distributions. The fund performance percentages are based on fund total return data, adjusted for expenses, obtained from Lipper, a Thomson Reuters Company, and was not adjusted for fees and loads.

Clients invested in Exchange-traded Funds “ETFs” transact at the market price during market trading hours. ETF performance for clients is also based on the market price at close, which may be different than the fund’s Net Asset Value.

Market value and returns for individual securities are calculated using the client’s daily custodial records. As a result, returns may vary slightly from the official month-end returns of a security as reported on Vanguard.com.

### **Glossary of risk metrics:**

**Standard Deviation** is a risk measure of dispersion around the mean return.

**Tracking Error** is a relative risk measure of the standard deviation of excess returns.

**Sharpe Ratio** is a total risk measure of portfolio reward to variability.

**Information Ratio** is a relative risk measure of portfolio excess returns and tracking error.

**Jensen's Alpha** is a systematic risk measure of excess return adjusted for systematic risk.

**Beta** is a systematic risk measure of the sensitivity of portfolio returns to changes in benchmark returns.

**R-Squared** is the square of the correlation coefficient and is the proportion of portfolio returns variance that is related to benchmark returns variance.



# Important information

The Factor Funds are subject to investment style risk, which is the chance that returns from the types of stocks in which a Factor Fund invests will trail returns from U.S. stock markets. The Factor Funds are also subject to manager risk, which is the chance that poor security selection will cause a Factor Fund to underperform its relevant benchmark or other funds with a similar investment objective, and sector risk, which is the chance that significant problems will affect a particular sector in which a Factor Fund invests, or that returns from that sector will trail returns from the overall stock market.

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Rev\_012023

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FOUNDATION

## Meeting and Event Calendar: July 1, 2023 to June 30, 2024

### Quarterly Board Meetings

(3333 Manchester Blvd, Encinitas, CA 92007)

- 3:00 – 5:00 p.m. Tuesday August 15, 2023
- 3:00 – 5:00 p.m. Tuesday, November 14, 2023
- 3:00 – 5:00 p.m. Tuesday, February 27, 2024
- 3:00 – 5:00 p.m. Tuesday, May 7, 2024

### Finance Committee Meetings

(3333 Manchester Blvd, Encinitas, CA 92007)

- 1:00 – 2:30 p.m. Tuesday, August 1, 2023
- 1:00 – 2:30 p.m. Tuesday, October 31, 2023
- 1:00 – 2:30 p.m. Tuesday, February 13, 2024
- 1:00 – 2:30 p.m. Tuesday, April 23, 2024

### Comprehensive Campaign Committee Meetings

(Zoom: <https://miracosta-edu.zoom.us/j/85780354889>)

- 1:00 – 2:00 p.m. Tuesday, July 18, 2023
- 1:00 – 2:00 p.m. Tuesday, August 29, 2023
- 1:00 – 2:00 p.m. Tuesday, September 26, 2023
- 1:00 – 2:00 p.m. Tuesday, November 7, 2023
- 1:00 – 2:00 p.m. Tuesday, January 30, 2024
- 1:00 – 2:00 p.m. Tuesday, February 20, 2024
- 1:00 – 2:00 p.m. Tuesday, March 26, 2024
- 1:00 – 2:00 p.m. Tuesday, April 30, 2024
- 1:00 – 2:00 p.m. Tuesday, May 28, 2024
- 1:00 – 2:00 p.m. Tuesday, June 25, 2024

### Governance and Nominations

(3333 Manchester Blvd, Encinitas, CA 92007)

- 2:00 – 3:00 p.m. Tuesday, July 25, 2023
- 2:00 – 3:00 p.m. Tuesday, October 24, 2023
- 2:00 – 3:00 p.m. Tuesday, February 6, 2024
- 2:00 – 3:00 p.m. Tuesday, April 16, 2024

### Executive Committee Meetings

(3333 Manchester Blvd, Encinitas, CA 92007)

- 3 – 4 p.m. Tuesday, August 1, 2023
- 3 – 4 p.m. Tuesday, October 31, 2023
- 3 – 4 p.m. Tuesday, February 13, 2024
- 3 – 4 p.m. Tuesday, April 23, 2024

### Audit Committee Meetings

(3333 Manchester Blvd, Encinitas, CA 92007)

TBD Spring 2024

### Community Leaders Breakfast

7 – 9 a.m. Friday, October 20, 2023

### Board Social & Holiday Party

July TBD

December TBD

## FY 23/24 MiraCosta College Foundation Committee Members

<b>Committee</b>	<b>Chair</b>	<b>Members</b>
Audit <i>(Standing)</i>	Tim Snodgrass	Cindy Musser Sudershan Shaunak Kimberly Troutman <b>OPEN</b>
Comprehensive Campaign <i>(Ad Hoc)</i>	Dave McGuigan	Bruce Bandemer Eva Budnik Jimmy Figueroa Janice Kurth Karen Pearson Tim Snodgrass Kimberly Troutman
Executive <i>(Standing)</i>	Dave McGuigan	Alec Babiarz Bruce Bandemer Janice Kurth Val Saadat Timothy Snodgrass Denise Stillinger
Finance <i>(Standing)</i>	Bruce Bandemer	Eva Budnik Jimmy Figueroa Cindy Musser Sharon Wiback <b>OPEN</b> <b>OPEN</b>
Innovation Grants & Scholarships <i>(Ad Hoc)</i>	Val Saadat	Hap L'Heureux Karen Pearson Sharon Wiback
Nominations & Governance <i>(Standing)</i>	Denise Stillinger	Alec Babiarz Hap L'Heureux Val Saadat Sudershan Shaunak Sharon Wiback <b>OPEN</b>