



MIRACOSTA COLLEGE FOUNDATION BOARD FINANCE COMMITTEE MEETING

Tuesday, April 23, 2024 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://linktr.ee/miracostacollegefoundation>

Finance Committee Members:

Bruce Bandemer, Dottie Benson,
Jimmy Figueroa, Cindy Musser, Sharon Wiback

Staff Support & Advisors Support Attendees:

Tori Fishinger, Tim Flood, Elizabeth Lurenana, Andrew Maslick,
Arthur Rodriguez, Shannon Stubblefield, Christina Undan

MiraCosta College Foundation Mission:

Promote the benefits of MiraCosta College and secure resources that transform lives.

MiraCosta College Foundation Vision:

Educational opportunities for all.

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 13, 2024

VI. COMMITTEE REPORT(S)

A. Finance Committee

i. Review & Approve FY23/24 Q3 Financial Statements & Recap (**Action Required**)

ii. Key Performance Indicators

iii. Approve FY24/25 Operations and Allocations Budget (**Action Required**)

iv. Recommendation

a. Review of End of Year Financial Statements in FY24/25 Q1, but not approve since they are always preliminary and subject to change.

v. Audit Committee Report

VII. PRESENTATION(S)

A. Andrew Maslick, Mercer (Zoom)

VIII. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting (San Elijo Campus)

TBD

Next Executive Committee Meeting (San Elijo Campus)

Tuesday, April 23, 2024 at 2:45 – 4:00 p.m.

Next Quarterly Board Meeting (TCI Campus)

Tuesday, May 7, 2024 at 3:00 – 6:00 p.m.

Next Governance and Nominations Committee Meeting (San Elijo Campus)

TBD

IX. FUTURE AGENDA ITEMS

X. 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.

In compliance with Government Code §54957.5, nonexempt writings that are distributed to a majority or all of the MiraCosta Community College District Foundation Board in advance of their meetings may be viewed at the Office of Institutional Advancement, 1 Barnard Drive, Oceanside, California, 92056 or by clicking on the Foundation website at <http://foundation.miracosta.edu/agendas>. Such writings will also be available at the board meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the board assistant by e-mail at foundation@miracosta.edu



MIRACOSTA COLLEGE FOUNDATION FINANCE COMMITTEE
MINUTES OF THE REGULAR MEETING **February 13, 2024**
(DRAFT)

I. CALL TO ORDER

The MiraCosta College Foundation Finance Committee met in open session on Tuesday, February 13, 2024 in Conference Room 1116 on the MiraCosta College District’s San Elijo Campus (3333 Manchester Avenue, Cardiff, CA 92007). The meeting was live-streamed and recorded via Zoom. Treasurer Bruce Bandemer called the meeting to order at 1:00 p.m.

II. ROLL CALL, WELCOME and INTRODUCTIONS

Committee Members Present:

Angela Babiarz (left at 2:02 p.m.)	Bruce Bandemer	Cindy Musser
Sharon Wiback (left at 1:48 p.m.)		

Committee Members Absent:

Dottie Benson	Jimmy Figueroa
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Staff and Advisors Present:

Tori Fishinger	Timothy Flood (Zoom)	Elizabeth Lurenana
Andrew Maslick (Zoom)	Arthur Rodriguez (Zoom)	Shannon Stubblefield
Christina Undan (Zoom)		

- A. Committee Members, staff, and advisors introduced themselves for the benefit of new committee members.

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. By motion of Committee Member Wiback seconded by Vice Chair Musser, the minutes of the regular meeting of October 31, 2023 were approved as presented.

Vote:	4/0/0/2
Aye:	Babiarz, Bandemer, Musser, Wiback
Nay:	None
Abstain:	None
Absent:	Benson, Figueroa

VI. COLLEGE UPDATES

- A. Office of Administrative Services – Vice President Tim Flood
 - i. VP Flood provided a district budget update, explaining funding sources in the midst of a state budget deficit.

VII. COMMITTEE REPORT(S)

- A. Finance Committee
 - i. Review & Approve FY23/24 Q2 Financial Statements & Recap
 - a. The committee discussed whether the approval of financial statements should be a consent agenda item in the future and determined it should since reviewing the Key Performance Indicators (KPI) document will provide board members with a

chance to ask detailed questions later in the meeting. A board member can always pull the item from consent if they so choose.

- b. Vice Chair Musser walked the committee through the statements and money movement recommendations, with support from Chair Bandemer and Christina Undan.

By motion of Vice Chair Musser, seconded by Committee Member Wiback, the FY23/24 Q2 Financial Statements & Recap with recommended money movement were approved as presented.

Vote: 4/0/0/2
Aye: Babiarz, Bandemer, Musser, Wiback
Nay: None
Abstain: None
Absent: Benson, Figueroa

- c. VP/ED Stubblefield reviewed the top ten donations, solicited primarily by board members and Associate Director Fishingier.

B. Key Performance Indicators

- i. Chair Bandemer reviewed the KPI document with the committee. Committee members asked clarifying questions of staff.
- ii. Staff will review Major Gifts \$10k+ excluding pledges line prior to quarterly board meeting to ensure accuracy.

C. Review & Recommend Annual Spending Rate (Item VII.C.)

- i. <https://foundation.miracosta.edu/foundation-board/board-manual/investment-and-spending-policy.html>
 - a. Chair Bandemer gave information about the annual spending rate and how it has been determined historically.
 - b. Advisor Maslick reviewed his presentation and projections, and the committee discussed adjusting or maintaining the spending rate.
- ii. By motion of Chair Bandemer, seconded by Committee Member Wiback, the committee voted to maintain the current spending rate of 5%.

Vote: 4/0/0/2
Aye: Babiarz, Bandemer, Musser, Wiback
Nay: None
Abstain: None
Absent: Benson, Figueroa

D. Review Foundation Operations Budget

- i. VP/ED Stubblefield reviewed the FY23/24 Budget to Actual through Q2 as well as the draft FY24/25 Budget. The final proposed FY24/25 Budget will be brought to the committee and full board for approval in FY23/24 Q4.

VIII. PRESENTATION(S)

A. Andrew Maslick, VIAS (Zoom)

- i. Advisor Maslick shared that Vanguard Advisory Services is being acquired by Mercer. This will not change Advisor Maslick's role with the foundation or funds housed at Vanguard. Contact information will likely be the only change in the short term.
- ii. Advisor Maslick presented highlights from his written report included in the agenda packet. Committee members asked clarifying questions and engaged in discussions on financial trends and the foundation's investment portfolio.
 - a. VP/ED Stubblefield will follow up if she would like Advisor Maslick to attend a meeting with a group of students from MiraCosta College's Associated Student Government who are interested in the foundation's investment portfolio.

IX. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting (San Elijo Campus)

Tuesday, April 23, 2024 at 1:00 – 2:30 p.m.

Next Executive Committee Meeting (San Elijo Campus)

Tuesday, February 13, 2023 at 3:00 – 4:00 p.m.

Next Quarterly Board Meeting (TCI Campus)

Tuesday, February 27, 2023 at 3:00 – 5:00 p.m.

Next Governance and Nominations Committee Meeting (San Elijo Campus)

Tuesday, April 16, 2024 at 2:00 – 3:00 p.m.

X. FUTURE AGENDA ITEMS

A. FY24/25 Budget

XI. ADJOURNMENT

The meeting was adjourned at 2:22 p.m.

DRAFT

FY23/24 Q3 Balance Sheet

CR ACC - Foundation Balance Sheet

Period FY2023-24 - 09-Mar

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
Period: FY2023-24 - 09-Mar			Total FY23-24 Q3 (Jul 2023 to Mar 2024)	Total FY22-23 Q3 (Jul 2022 to Mar 2023)	Prior Year FY22-23 (Jul 2022 to June 2023)
Assets	2,884,318.50	20,576,040.03	23,460,358.53	20,719,130.20	21,321,169.08
Cash	587,095.65	597,617.08	1,184,712.73	1,174,214.45	1,168,591.42
Investments	1,845,961.21	19,070,167.00	20,916,128.21	17,962,405.68	18,573,234.23
Deferred Gifts - Assets	426,799.00	788,227.15	1,215,026.15	1,180,177.91	1,215,026.15
Accounts Receivable/Prepays	24,462.64	120,073.80	144,536.44	402,332.16	364,317.28
Total Assets	2,884,318.50	20,576,085.03	23,460,403.53	20,719,130.20	21,321,169.08
Liabilities	62,271.21	143,414.69	205,685.90	146,451.58	77,531.13
Accounts Payable	62,271.21	143,414.69	205,685.90	146,451.58	77,531.13
Due To Related Entities	0.00	0.00	0.00	0.00	0.00
Due From Related Entities	0.00	0.00	0.00	0.00	0.00
Total Liabilities	62,271.21	143,414.69	205,685.90	146,451.58	77,531.13
Net Position	2,822,088.99	20,431,028.78	23,253,117.77	20,572,678.62	21,243,637.95
Total Liability/Net Position	2,884,318.50	20,576,085.03	23,460,403.53	20,719,130.20	21,321,169.08

FY23/24 Q3 Income Statement

CR ACC - Foundation Income Statement

Period FY2023-24 - 09-Mar

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
<i>Period: FY2023-24 - 09-Mar</i>			Total FY23-24 Q3	Total FY22-23 Q3	Prior Year FY22-23
			(Jul 2023 to Mar 2024)	(Jul 2022 to Mar 2023)	(Jul 2022 to June 2023)
Revenues	199,521.92	3,765,603.96	3,965,125.88	1,872,214.53	3,634,412.69
Non-Charitable Revenue	0	49,555.98	49,555.98		54,105.89
Deferred Gifts- Revenue	0	0	0	0	437.24
Contributions	69,021.29	1,403,091.39	1,472,112.68	654,374.31	1,014,404.78
Investment Activity	130,500.63	2,080,526.73	2,211,027.36	1,193,340.18	1,935,025.08
Gifts In Kind- Revenue	0	232,429.86	232,429.86	24,500.04	630,439.70
Total Revenue	199,521.92	3,765,603.96	3,965,125.88	1,872,214.53	3,634,412.69
Transfers	195,978.53	(195,978.53)	0.00	0.00	0.00
Total Transfers	195,978.53	(195,978.53)	0.00	0.00	0.00
Total Revenue and Transfers	395,500.45	3,569,625.43	3,965,125.88	1,872,214.53	3,634,412.69
Expenditures	289,007.21	1,666,638.85	1,955,646.06	1,398,960.65	2,490,199.48
General And Administrative	288,455.21	901,601.18	1,190,056.39	648,733.56	1,567,627.58
Direct Student Aid- Non Cash	130.00	42,342.87	42,472.87	69,587.29	82,330.54
7500:Student Financial Aid Expense - Scholarships	500.00	337,128.00	337,628.00		
7500:Student Financial Aid Expense - Emergency Funds	(78.00)	83,136.94	83,058.94	656,139.76	755,203.96
Gifts In Kind- Expense	0	232,429.86	232,429.86	24,500.04	85,037.40
Total Expenditures	289,007.21	1,666,638.85	1,955,646.06	1,398,960.65	2,490,199.48
Net Fund Balance, Beginning of Year	2,715,595.75	18,528,042.20	21,243,637.95	20,099,424.74	20,099,424.74
Revenues Over (Under) Expenditures	106,493.24	1,902,986.58	2,009,479.82	473,253.88	1,144,213.21
Net Fund Balance, End of Period	2,822,088.99	20,431,028.78	23,253,117.77	20,572,678.62	21,243,637.95

FY23/24 Q3 Top Ten Donations

Donor name	Date	Amount	Fund Description
Foundation for California Community Colleges - Osher	1/23/2024	\$ 34,800.00	Osher Match Scholarship
David C. Copley Foundation	3/19/2024	\$ 25,000.00	TCI Grant Fund
Julie Hatoff	2/26/2024	\$ 25,000.00	Hatoff Tapestries Program Pledge
Genentech	1/10/2024	\$ 20,000.00	Genentech Scholarship
Genentech	3/26/2024	\$ 10,000.00	Emergency Grants for Biotech Students
Karen Pearson	2/12/2024	\$ 5,000.00	Annual Fund
Foundation for California Community Colleges - Osher	1/29/2024	\$ 4,000.00	Ethnic Studies Program Support
Classified Senate, MiraCosta College	1/29/2024	\$ 3,702.34	NDN Intertribal Collective Scholarship
Richard G. Lambert , M.D. Foundation for Education	1/25/2024	\$ 3,500.00	Medal of Honor
Janice C. Gonzales	2/15/2024	\$ 3,000.00	Endowment Matching Gift Campaign

CASH & ST OPERATING				
US Bank	536,279.15	UB Statement balance; Cash in ledger may have a different balance due to outstanding checks or deposit in transit.		
LAIF	664,798.55	LAIF Statement balance		
	1,201,077.70			
INVESTMENTS				
Vanguard - Endowment Portfolio	14,576,317.45			
Vanguard - Excess Reserve Portfolio	4,180,093.81			
Vanguard - Reserve Portfolio	1,053,300.24			
Vanguard - JAFFY	68,279.58			
Vanguard - Title V	241,583.18			
Osher, as of June 30, 2023	796,553.95			
	20,916,128.21			

MiraCosta College Foundation
Key Performance Indicators
FY23/24

Charitable Income	Actual FY22/23	as of 9/30	as of 12/31	as of 3/31	as of 6/30 (FY End)
Charitable Contributions	\$1,068,510	\$828,611	\$1,297,562	\$1,472,113	
Bequests	\$0	\$0	\$0	\$0	
Support to Students and College					
Scholarships: # of Students	768	57	337	366	
Direct Student Aid: # of Students	255	30	147	190	
Scholarships: Awarded \$	\$755,204	\$89,763	\$221,528	\$337,628	
Direct Student Aid: Awarded \$	\$82,331	\$6,919	\$28,762	\$125,532	
Gift In Kind - Charitable Donations	\$68,858	\$101,000	\$173,330	\$232,430	
Campus Programs: Support \$	\$1,123,085	\$165,257	\$618,113	\$1,906,863	
Campus Grants Awarded					
Innovation (Mini-Grants)	\$26,390	\$32,090	\$32,090	\$32,090	
Hatoff Tapestries Grants	\$7,500	\$0	\$11,500	\$11,500	
Fundraising - Board Giving					
Foundation Board Giving ('Give')	\$60,794	\$29,731	\$32,840	\$38,652	
Foundation Board Solicited ('Get')		\$75,718	\$128,618	\$128,618	
Fundraising - Key Initiatives					
Major Gifts \$10k+ excluding Pledges	\$977,221	\$880,880	\$1,082,393	\$1,172,193	
Endowment Matching Gift Campaign	\$10,262	\$99,520	\$215,950	\$221,897	
Resilience Fund	\$8,705	\$20,315	\$27,199	\$28,799	
Annual Fund	\$97,984	\$8,970	\$49,175	\$59,011	
Fundraising - Metrics					
Heritage Society: # of Members	42	42	43	44	
Total # of Donors	2,722	310	520	638	

**Please note:

The numbers reflected are not meant to be summed; they are performance tracking metrics.

FY 24/25 Foundation Operating and Allocations Budget

Unrestricted Revenue			
Unrestricted Revenue - Non Charitable	FY 2023/24 - Projected (actual to Mar 2024)	FY 2024/25 - Projected	
Non-Charitable Revenue (Fees and Interest)	\$260,000	\$215,000	
Unrestricted Endowed Funds (Distributions)	\$95,335	\$94,000	
Follett Unrestricted	\$100,000	\$0	
Total Unrestricted Revenue (Non-Charitable)	\$455,336	\$309,000	
Operations Expenses			
Foundation Operations Budget - Expenses	FY 2023/24 - Approved	FY 2024/25 - DRAFT 1	FY 2024/25 Revenue Sources
Foundation Staffing	\$226,786	\$249,957	Unrestricted Fund
Management	\$22,855	\$26,000	Unrestricted Fund
Donor Management Systems	\$56,435	\$3,000	Unrestricted Fund
Foundation Board	\$3,500	\$4,100	Unrestricted Fund
Donor Cultivation & Stewardship	\$7,980	\$4,700	Unrestricted Fund
Events - Foundation Cultivation & Stewardship	\$13,465	\$10,000	Eckley
Events - Campus & Programs	\$1,673	\$15,000	Chafee
Campus Program Support	\$25,400	\$0	n/a
Community Sponsorships - Foundation Requested		\$15,000	Unrestricted Fund
Marketing & Communications - Foundation	\$10,610	\$12,000	Unrestricted Fund
Total Operating Expenses	\$368,704	\$339,757	
Foundation Allocations - Expenses	FY 2023/24 - Approved	FY 2024/25 - DRAFT 1	FY 2024/25 Revenue Sources
Innovation / Mini Grants	\$0	\$40,000	Mastinter
Executive Director's Fund	\$12,000	\$10,000	Mastinter
Alumni Association	\$10,000	\$5,000	General End
Other (ACPs, Campaign)	\$0	\$0	
Annual Fund	\$0	\$0	
Board Reserves	\$0	\$0	
Total Allocations	\$22,000	\$55,000	
Total Expenses - Operating and Allocations	\$390,704	\$394,757	
NET	\$64,632	-\$85,757	

Unrestricted Fund Balances	Projected at 6/30/24	Projected at 6/30/25	Expenses in FY 24/25
100832_GF Unrestricted Fund	\$799,843		\$314,757
100833_GF Operational	\$25,000		
101406_GF Follett Unrestricted	\$400,000		
100838_GF Board Reserves	\$50,000		
100822_GF Masinter Distribution Fund	\$96,073		\$50,000
100831_GF Chafee - Endowment Distribution Fund	\$19,482		\$15,000
100824_GF General End Distribution Fund	\$12,725		\$5,000
100825_GF Eckley Distribution Fund	\$14,944		\$10,000
SubTotal Unrestricted (foundation or campus use)	\$1,418,067	\$1,332,310	\$394,757
100835_GF Annual Fund	\$290,000	\$290,000	
100539_GF Mini Grants	\$10,000	\$10,000	
Subtotal Unrestricted Funds Available (campus use)	\$300,000	\$300,000	
Total Unrestricted Fund Balances	\$1,718,067	\$1,632,310	

Financial Statements

June 30, 2023

MiraCosta College Foundation
(A California Nonprofit Corporation)

MiraCosta College Foundation
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June 30, 2023

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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, 2023, 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 MiraCosta College Foundation as of June 30, 2023, 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 for 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
[REPORT DATE]

MiraCosta College Foundation
Statement of Financial Position
June 30, 2023

Assets

Current assets

Cash and cash equivalents	\$ 1,168,591
Prepaid and Other Assets	44
Investments	17,776,680
Investments related to deferred gifts	758,948
Accounts receivable	17,736
Unconditional promises to give, net	190,194
Donated artwork held for sale	426,799

Total current assets	20,338,992
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Noncurrent assets

Beneficial interest in assets held by the Foundation for California Community Colleges	796,554
Cash surrender value of life insurance	29,279
Unconditional promises to give, net	156,344

Total noncurrent assets	982,177
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Total assets	\$ 21,321,169
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Liabilities and Net Assets

Current liabilities

Accounts payable	\$ 38,370
Due to MiraCosta Community College District	39,160

Total liabilities	77,530
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Net assets

Without donor restrictions	
Undesignated	2,125,052
Board designated	590,545

Total without donor restrictions	2,715,597
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With donor restrictions	18,528,042
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Total net assets	21,243,639
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Total liabilities and net assets	\$ 21,321,169
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MiraCosta College Foundation
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions, gifts, and grants	\$ 124,722	\$ 982,354	\$ 1,107,076
Contributions - gift in kind	-	68,858	68,858
Contributions - District donated gift in kind	151,121	410,461	561,582
Management fees	163,904	(163,904)	-
Net assets released from restrictions	1,879,661	(1,879,661)	-
Total public support and revenues	<u>2,319,408</u>	<u>(581,892)</u>	<u>1,737,516</u>
Expenses			
Program	2,061,250	-	2,061,250
Management and general	380,377	-	380,377
Total expenses	<u>2,441,627</u>	<u>-</u>	<u>2,441,627</u>
Other Income			
Realized gain on sale of investments	34,879	349,111	383,990
Unrealized gain on investments	44,526	1,282,152	1,326,678
Change in value of deferred gifts	-	34,411	34,411
Change in cash surrender value of life insurance	-	437	437
Change in value of beneficial interest in assets held by Foundation for California Community Colleges	-	79,736	79,736
Interest and dividends, net	23,074	-	23,074
Total other income	<u>102,479</u>	<u>1,745,847</u>	<u>1,848,326</u>
Change in Net Assets	(19,740)	1,163,955	1,144,215
Net Assets, Beginning of Year	<u>2,735,337</u>	<u>17,364,087</u>	<u>20,099,424</u>
Net Assets, End of Year	<u>\$ 2,715,597</u>	<u>\$ 18,528,042</u>	<u>\$ 21,243,639</u>

MiraCosta College Foundation
Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Foundation staff salaries and benefits	\$ 36,176	\$ 119,829	\$ 156,005
Donated salaries and benefits	398,326	147,076	545,402
Donated facility use	12,135	4,045	16,180
Gift in kind	68,858	-	68,858
Supplies	118,469	3,093	121,562
Other services	61,317	25,507	86,824
Travel, conferences, training	189,672	11,354	201,026
Dues and membership	14,300	2,600	16,900
Insurance	13,798	-	13,798
Contract services	292,938	10,618	303,556
Audit	-	20,800	20,800
Advertising & postage	18,821	34,361	53,182
Direct student aid	81,236	1,094	82,330
Scholarships	755,204	-	755,204
	<u>\$ 2,061,250</u>	<u>\$ 380,377</u>	<u>\$ 2,441,627</u>
Total			

MiraCosta College Foundation
Statement of Cash Flows
Year Ended June 30, 2023

Operating Activities	
Change in net assets	\$ 1,144,215
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Contributions restricted for long-term purposes	(21,335)
Realized gain on sale of investments	(383,990)
Net unrealized gain on investments	(1,326,678)
Distribution from beneficial interest in assets held by the Foundation for California Community Colleges	45,932
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	(79,736)
Change in value of deferred gifts	(34,411)
Cash surrender value of life insurance	(437)
Change in assets and liabilities	
Prepaid and other assets	10,101
Accounts receivable	40,369
Unconditional promises to give	299,133
Accounts payable	14,062
Due to Miracosta Community College District	<u>(96,726)</u>
Net Cash Flows From Operating Activities	<u>(389,501)</u>
Investing Activities	
Withdrawal from endowment	392,903
Proceeds from sale of investments	1,888,388
Purchase of investments	<u>(2,643,298)</u>
Net Cash Flows From Investing Activities	<u>(362,007)</u>
Financing Activities	
Collections of contributions restricted for long-term purposes	<u>21,335</u>
Change in Cash and Cash Equivalents	(730,173)
Cash and Cash Equivalents, Beginning of Year	<u>1,898,764</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,168,591</u></u>

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

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.

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

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.

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

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, 2023, unconditional promises to give have been recorded in the financial statements in the amount of \$346,538, 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. At June 30, 2023, management believes all amounts are collectable.

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, 2023

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.

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	\$ 1,168,591
Board reserves	50,000
Accounts receivable	<u>17,736</u>
	<u><u>\$ 1,236,327</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, 2023:

Unconditional promises to give before unamortized discount and allowance for doubtful accounts	\$ 347,694
Less discount to net present value	<u>(1,156)</u>
Net Unconditional Promises to Give	<u><u>\$ 346,538</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, 2023.

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

The Foundation has been promised unconditional promises to give, which were classified as follows at June 30, 2023:

	<u>Annual Fund</u>	<u>Deferred Action for Childhood Arrivals (DACA)</u>	<u>Hatoff Endowment</u>
Amounts due in			
Due within one year	\$ 30,000	\$ 50,000	\$ 500
Due within one to five years	<u>7,500</u>	<u>-</u>	<u>150,000</u>
	37,500	50,000	150,500
Less discount to net present value	<u>(37)</u>	<u>-</u>	<u>(1,119)</u>
Total	<u>\$ 37,463</u>	<u>\$ 50,000</u>	<u>\$ 149,381</u>

	<u>Wealth Equity Fund</u>	<u>Karetas Family</u>	<u>Follett Unrestricted</u>	<u>Total</u>
Amounts due in				
Due within one year	\$ 5,000	\$ 4,694	\$ 100,000	\$ 190,194
Due within one to five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,500</u>
	5,000	4,694	100,000	347,694
Less discount to net present value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,156)</u>
Total	<u>\$ 5,000</u>	<u>\$ 4,694</u>	<u>\$ 100,000</u>	<u>\$ 346,538</u>

The discount rate used was 0.25% for the year ended June 30, 2023.

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, 2023, the balance of artwork held for sale was \$426,799.

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

Note 5 - Investments

Investments are stated at fair value and are summarized as of June 30, 2023:

Investments	
Investments	\$ 17,776,680
Deferred gifts	758,948
Beneficial interest in assets held by the Foundation for California Community Colleges	<u>796,554</u>
Total investments	<u><u>\$ 19,332,182</u></u>

The investment return consists of the following at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 62,659	\$ -	\$ 62,659
Realized gain on sale of investments	34,879	349,111	383,990
Unrealized gain on investments	<u>44,526</u>	<u>1,282,152</u>	<u>1,326,678</u>
Total investment income	142,064	1,631,263	1,773,327
Investment fees	<u>(39,585)</u>	<u>-</u>	<u>(39,585)</u>
Total investment income, net of fees	<u><u>\$ 102,479</u></u>	<u><u>\$ 1,631,263</u></u>	<u><u>\$ 1,733,742</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, 2023

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, 2023. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2023. The Foundation has no assets or liabilities recorded at fair value on a non-recurring basis as of June 30, 2023.

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Assets			
Equity	\$ 12,030,379	\$ -	\$ 12,030,379
Fixed income	5,746,301	-	5,746,301
Deferred gifts	-	758,948	758,948
Beneficial interest in assets held by the Foundation for California Community Colleges	-	796,554	796,554
	<u>\$ 17,776,680</u>	<u>\$ 1,555,502</u>	<u>\$ 19,332,182</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 4.2% to 5.8%.

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

Assets held in the charitable remainder trusts totaled \$758,948 at June 30, 2023, 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, 2023, the ending balance of the Osher Endowment Scholarship was \$796,554. 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, 2023

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 5.0% is based on a three-year moving average of current market values as of June 30, 2023. This rate is reviewed on an annual basis.

Endowment net asset composition by type of fund as of June 30, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Funds
Donor-restricted endowment funds	\$ -	\$ 12,856,191	\$ 12,856,191
Board-designated endowment funds	540,545	-	540,545
Total	<u>\$ 540,545</u>	<u>\$ 12,856,191</u>	<u>\$ 13,396,736</u>

Changes in endowment net assets as of June 30, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Funds
Balance at June 30, 2022	\$ 604,968	\$ 11,932,055	\$ 12,537,023
Contributions	-	21,335	21,335
Change in value of investments	70,132	1,385,559	1,455,691
Amounts appropriated for expenditures	(134,555)	(482,758)	(617,313)
Balance at June 30, 2023	<u>\$ 540,545</u>	<u>\$ 12,856,191</u>	<u>\$ 13,396,736</u>

MiraCosta College Foundation
Notes to Financial Statements
June 30, 2023

Note 10 - Restrictions of Net Asset Balances

Donor-restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2023:

Deferred gifts and cash surrender value of life insurance	\$ 788,227
Campus Activity	2,617,486
Donor restricted endowments	2,177,122
Business operations	239,986
Foundation scholarships	<u>1,343,839</u>
Total net assets with time/purpose restriction	<u><u>\$ 7,166,660</u></u>

Donor-restricted net assets with perpetual restrictions consist of the following at June 30, 2023:

Scholarship endowments	\$ 4,131,107
Beneficial interest in assets held by the Foundation for California Community Colleges	682,313
General endowments	<u>6,547,962</u>
Total net assets with perpetual restriction	<u><u>\$ 11,361,382</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, 2023:

Scholarships and grants	\$ 829,801
Other program services	570,541
Donated salaries and facility use	410,461
Gift in Kind	<u>68,858</u>
Total	<u><u>\$ 1,879,661</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, 2023:

Board-designated endowment funds	\$ 540,545
General Reserves	<u>50,000</u>
Total	<u><u>\$ 590,545</u></u>

MiraCosta College Foundation

Notes to Financial Statements

June 30, 2023

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, 2023, the Foundation received \$545,402 in donated salaries and benefits and \$16,180 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, 2023 through [REPORT DATE], which is the date the financial statements were available to be issued.

MiraCosta College Foundation

April 23, 2024

A business of Marsh McLennan

1. Welcome to Mercer!
2. Q1 Executive Summary
3. Performance Summary
4. Market Review and Outlook
5. Economic Overview
6. Values Alignment

Contents

Welcome to Mercer!



Vanguard Institutional Advisory Services® (VIAS)

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Mercer Not-for-Profit Investment Practice

\$396 B
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as of 6/30/2023

290+
US NFP clients

\$14+ B
US NFP AUM*
as of 9/30/2023

100+
dedicated US NFP investment team members

Effective March 15, 2024, Mercer completed the acquisition of Vanguard’s institutional advisory business resulting in the assumption by Mercer of 1058 clients’ contracts representing, as of December 31, 2023, an additional \$51 billion in discretionary assets under management and five billion in non-discretionary assets under management. These additional assets have not been reflected in the December 31, 2023, Mercer assets under management dollar amounts noted above or in the applicable items of Mercer’s Form ADV Part 1A.

Vanguard data as of 07/31/2023. Mercer data as of 12/31/2023, unless otherwise noted. *Please see Important Notices for information about Assets under Advisement and Management.

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What to expect as a Mercer client: “Continuity-plus”

For non-profit clients

Continuity ...

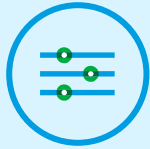
If you are satisfied, what **won't** change:



Your **team**



Your **scope of service**



Your **investment approach**



Your **advisory fee schedule**



... plus

Addressing **your needs** for additional resources or “tools in the toolbox”



Global **reach** with local **specialists**



Open-architecture **third-party funds**



Spectrum of asset classes



Values alignment implementation

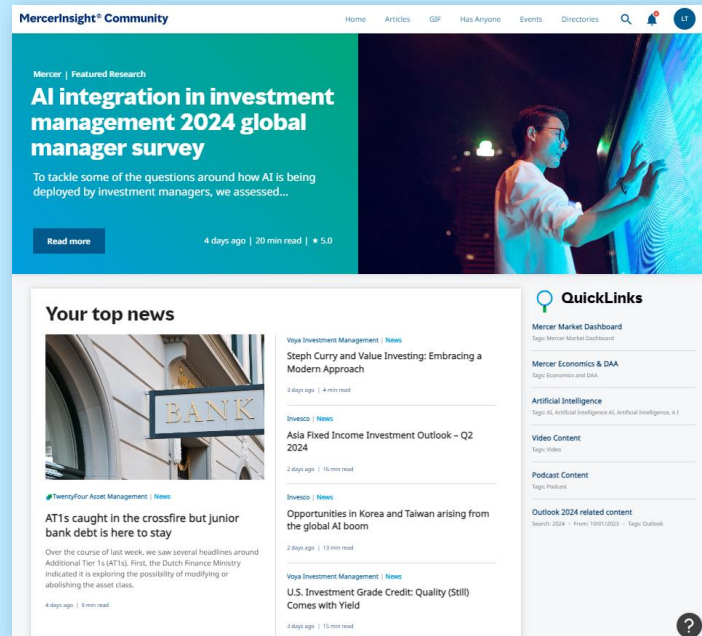
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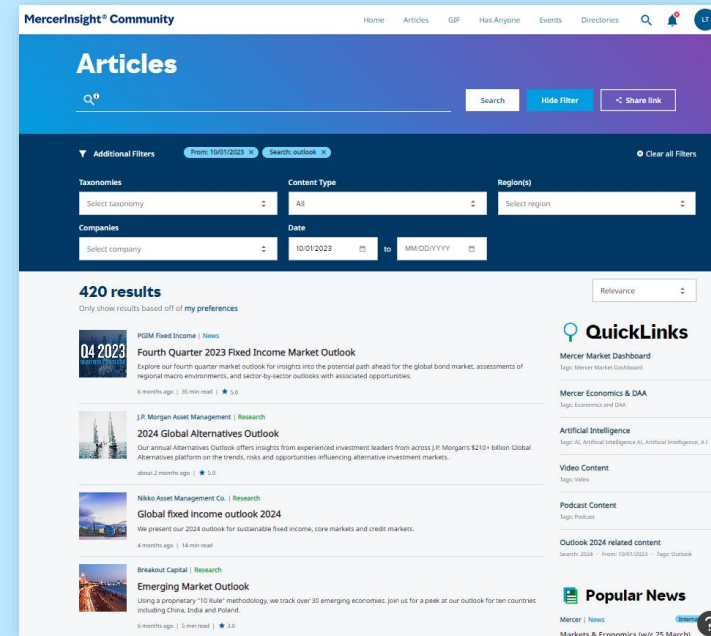
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Q1 Executive Summary



Allocation

Endowment: 76/24 (S/B)

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Excess Reserve: 52.4/47.6 (S/B)

Reserve: 5.07% SEC Yield as of 4/10/24 and 1.0 year average duration

Title V Grant Endowment: 76.6/23.4 (S/B)

Portfolio cash flow summary

Endowment: 3/27/24: \$707,029.13 outgoing wire

Equity performance summary

Stock prices pushed higher despite lower expectations for FED rate cuts. Equity markets focused on the AI narrative and a generally solid economy, which benefited U.S. large growth stocks the most. Equity volatility remained low and declined during the quarter. A strong dollar detracted 420 bps from US\$ returns in International equities.

- U.S. equities: 10.1% (Q1) and 29.33% (1-year)
- International Equities: 4.3% (Q1) and 13.53% (1-year)

U.S. Size:

- Large Cap: 10.9% (Q1) and 32.5% (1-year)
- Small Cap: 7.5% (Q4) and 22.4% (calendar)

U.S. Style:

- Growth: 11.2% (Q1) and 38% (1-year)
- Value: 8.6% (Q1) and 20.2% (1-year)

U.S. Sector: Comm. Services, Energy, Financials, IT, were the best performing sectors in the US market, all with double-digit gains for the quarter. Real Estate was the only negative sector (-1.0%)

Fixed income performance summary

- Bond market performance was impacted by the prospect of the FED delaying rate cuts until the middle of the year. Treasury yields rose sharply during Q1 as markets positioned for a slower pace in rate cuts.
 - Yields: 3mo: 5.46% (+.06), 2yr: 4.6% (+.40), 10yr: 4.20% (+.32%), 30yr: 4.3% (+30%)
- U.S. fixed income: -0.72% (Q1) and 1.77% (1-year)
- Non-U.S. fixed income (hedged): 0.09% (Q4) and 5.49% (1-year)

Economic key highlights

- FED: The FED reaffirmed their intention to cut rates up to 3 times in 2024, The Fed also released their updated economic projections, revising their 2024 growth forecast up (from 1.4% to 2.1%) and inflation forecast up (from 2.4% to 2.6%)
- Inflation: March U.S. headline CPI increased 3.5% while core increased 3.8% (both slightly above market forecasts).
- Jobs: 303,000 jobs added in March (256,000 in January and 270,000 in February).
 - Healthcare and private education contributed 208,000 of total job gains
 - 3.8% unemployment (drop from 3.9% in February)
 - LFP rose to 5-mo. High of 62.7 in March
 - Wage growth: 4.1% increase in March was the slowed annual pace since mid-2021

Performance Summary

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3

Quarterly valuation

MiraCosta College Foundation

As of March 31, 2024

	31-Dec-23	31-Mar-24
Endowment	14,444,705	14,576,317
Excess Reserve	4,030,605	4,180,094
Reserve	1,042,182	1,053,300
Title V Grant Endowment	228,503	241,583
Total	19,745,995	20,051,294

Endowment: 3/27/24: \$707,029.13 outgoing wire

Portfolio monthly snapshot

MiraCosta College Foundation As of March 31, 2024

<u>Endowment</u>	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	2.64	5.87	5.87	17.96	4.52	8.68	7.60	7.90	01/31/14
Client portfolio (net)	2.64	5.81	5.81	17.67	4.28	8.45	7.33	7.64	01/31/14
Policy benchmark	2.62	5.64	5.64	17.64	4.53	8.58	7.59	7.88	01/31/14
<u>Excess Reserve</u>	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	2.11	3.77	3.77	13.01	2.25	5.60	-	6.13	03/31/16
Client portfolio (net)	2.11	3.71	3.71	12.73	2.01	5.37	-	5.89	03/31/16
Policy benchmark	2.06	3.58	3.58	12.59	2.35	5.57	-	6.03	03/31/16
<u>Reserve</u>	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	0.45	1.13	1.13	5.37	-	-	-	5.37	03/31/23
Client portfolio (net)	0.45	1.07	1.07	5.11	-	-	-	5.11	03/31/23
Policy benchmark	0.38	0.86	0.86	4.66	-	-	-	4.66	03/31/23
<u>Title V Grant Endowment</u>	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	2.63	5.72	5.72	-	-	-	-	5.72	12/31/23
Client portfolio (net)	2.63	5.72	5.72	-	-	-	-	5.72	12/31/23
Policy benchmark	2.62	5.64	5.64	-	-	-	-	5.64	12/31/23

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, 2024

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	14,576,317	100.0	100.0	2.64	5.87	5.87	17.96	4.52	8.68	7.60	7.90	01/31/14
Client portfolio (net)				2.64	5.81	5.81	17.67	4.28	8.45	7.33	7.64	01/31/14
Policy benchmark				2.62	5.64	5.64	17.64	4.53	8.58	7.59	7.88	01/31/14
■ Equity	11,082,665	76.0	75.0	3.14	7.85	7.85	22.86	6.61	11.05	9.33	9.74	01/31/14
Equity - Policy benchmark				3.18	7.72	7.72	22.83	6.65	11.09	9.33	9.72	01/31/14
• Domestic Equity	6,767,224	46.4	45.0	3.21	10.00	10.00	29.37	9.64	14.25	12.28	12.63	01/31/14
• International Equity	4,315,441	29.6	30.0	3.04	4.32	4.32	13.00	1.91	6.18	4.46	4.97	01/31/14
■ Fixed Income	3,493,652	24.0	25.0	0.98	-0.29	-0.29	3.53	-1.83	0.77	1.96	1.97	01/31/14
Fixed Income - Policy benchmark				0.94	-0.48	-0.48	2.88	-2.16	0.43	1.79	1.81	01/31/14
• Domestic Fixed Income	2,453,491	16.8	17.5	0.98	-0.43	-0.43	2.86	-1.86	0.98	1.89	1.90	01/31/14
• International Fixed Income	1,040,161	7.1	7.5	1.01	0.07	0.07	5.10	-1.74	0.28	2.18	2.21	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.**

Performance summary—by securities

Miracosta College Foundation - Endowment Portfolio

For the periods ended March 31, 2024

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	14,576,317	100.0	100.0	2.64	5.87	5.87	17.96	4.52	8.68	7.60	7.90	01/31/14
Client portfolio (net)				2.64	5.81	5.81	17.67	4.28	8.45	7.33	7.64	01/31/14
Policy benchmark				2.62	5.64	5.64	17.64	4.53	8.58	7.59	7.88	01/31/14
■ Equity	11,082,665	76.0	75.0	3.14	7.85	7.85	22.86	6.61	11.05	9.33	9.74	01/31/14
Equity - Policy benchmark				3.18	7.72	7.72	22.83	6.65	11.09	9.33	9.72	01/31/14
• Domestic Equity	6,767,224	46.4	45.0	3.21	10.00	10.00	29.37	9.64	14.25	12.28	12.63	01/31/14
Domestic Equity - Policy benchmark				3.22	10.01	10.01	29.33	9.64	14.25	12.28	12.64	01/31/14
- Vanguard Total Stock Market Index Fund Institutional Shares	6,767,224	46.4	-	3.21	10.00	10.00	29.37	9.64	-	-	14.65	09/30/19
Spliced Total Stock Market Index				3.22	10.01	10.01	29.33	9.64	-	-	14.65	09/30/19
Multi-Cap Core Funds Average				3.41	9.89	9.89	25.77	8.12	-	-	12.50	09/30/19
• International Equity	4,315,441	29.6	30.0	3.04	4.32	4.32	13.00	1.91	6.18	4.46	4.97	01/31/14
International Equity - Policy benchmark				3.13	4.34	4.34	13.53	2.05	6.29	4.55	5.02	01/31/14
- Vanguard Total International Stock Index Fund Institutional Shares	4,315,441	29.6	-	3.04	4.32	4.32	13.00	-	-	-	1.01	04/30/21
Spliced Total International Stock Index				3.13	4.34	4.34	13.53	-	-	-	1.02	04/30/21

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.**

Performance summary—by securities (continued)

Miracosta College Foundation - Endowment Portfolio

For the periods ended March 31, 2024

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
International Funds Average				3.26	5.44	5.44	13.23	-	-	-	1.27	04/30/21
■ Fixed Income	3,493,652	24.0	25.0	0.98	-0.29	-0.29	3.53	-1.83	0.77	1.96	1.97	01/31/14
Fixed Income - Policy benchmark				0.94	-0.48	-0.48	2.88	-2.16	0.43	1.79	1.81	01/31/14
● Domestic Fixed Income	2,453,491	16.8	17.5	0.98	-0.43	-0.43	2.86	-1.86	0.98	1.89	1.90	01/31/14
Domestic Fixed Income - Policy benchmark				0.91	-0.72	-0.72	1.77	-2.39	0.43	1.57	1.59	01/31/14
- Vanguard Total Bond Market Index Fund Admiral Shares	1,219,542	8.4	-	0.83	-0.79	-0.79	1.65	-2.42	0.37	1.51	1.52	01/31/14
Spliced Bloomberg U.S. Aggregate Float Adjusted Index				0.91	-0.72	-0.72	1.77	-2.39	0.43	1.57	1.59	01/31/14
Spliced Intermediate Investment-Grade Debt Funds Average				0.93	-0.43	-0.43	2.28	-2.49	0.51	1.46	1.49	01/31/14
- Vanguard Short-Term Investment-Grade Fund Admiral Shares	662,647	4.5	-	0.73	0.67	0.67	4.90	0.29	1.83	1.94	1.94	01/31/14
Bloomberg U.S. 1-5 Year Credit Bond Index				0.65	0.51	0.51	4.67	0.19	1.83	1.98	1.97	01/31/14
1-5 Year Investment-Grade Debt Funds Average				0.57	0.84	0.84	4.69	-0.28	1.16	1.30	1.30	01/31/14
- Vanguard Long-Term Investment-Grade Fund Admiral Shares	301,100	2.1	-	1.83	-1.64	-1.64	1.79	-4.71	0.34	-	1.15	01/31/19
Bloomberg U.S. Long Credit A or Better Bond Index				1.78	-1.98	-1.98	1.76	-4.96	0.11	-	0.88	01/31/19
Corporate A-Rated Debt Funds Average				1.13	-0.72	-0.72	1.92	-2.90	0.57	-	1.03	01/31/19

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.**

Performance summary—by securities (continued)

Miracosta College Foundation - Endowment Portfolio

For the periods ended March 31, 2024

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
- Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	270,203	1.9	-	1.32	-0.16	-0.16	4.45	-1.42	1.64	2.49	2.51	01/31/14
Bloomberg U.S. 5-10 Year Credit Bond Index				1.29	-0.29	-0.29	4.39	-1.50	1.70	2.79	2.84	01/31/14
Spliced Core Bond Funds Average				0.93	-0.43	-0.43	2.28	-2.49	0.51	1.46	1.49	01/31/14
• International Fixed Income	1,040,161	7.1	7.5	1.01	0.07	0.07	5.10	-1.74	0.28	2.18	2.21	01/31/14
International Fixed Income - Policy benchmark				1.00	0.09	0.09	5.49	-1.65	0.41	2.37	2.41	01/31/14
- Vanguard Total International Bond Index Fund Admiral Shares	1,040,161	7.1	-	1.01	0.07	0.07	5.10	-1.74	0.28	2.18	2.21	01/31/14
Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged				1.00	0.09	0.09	5.49	-1.65	0.41	2.37	2.41	01/31/14
International Income Funds Average				0.79	-0.75	-0.75	3.45	-3.56	-1.10	-0.07	0.18	01/31/14

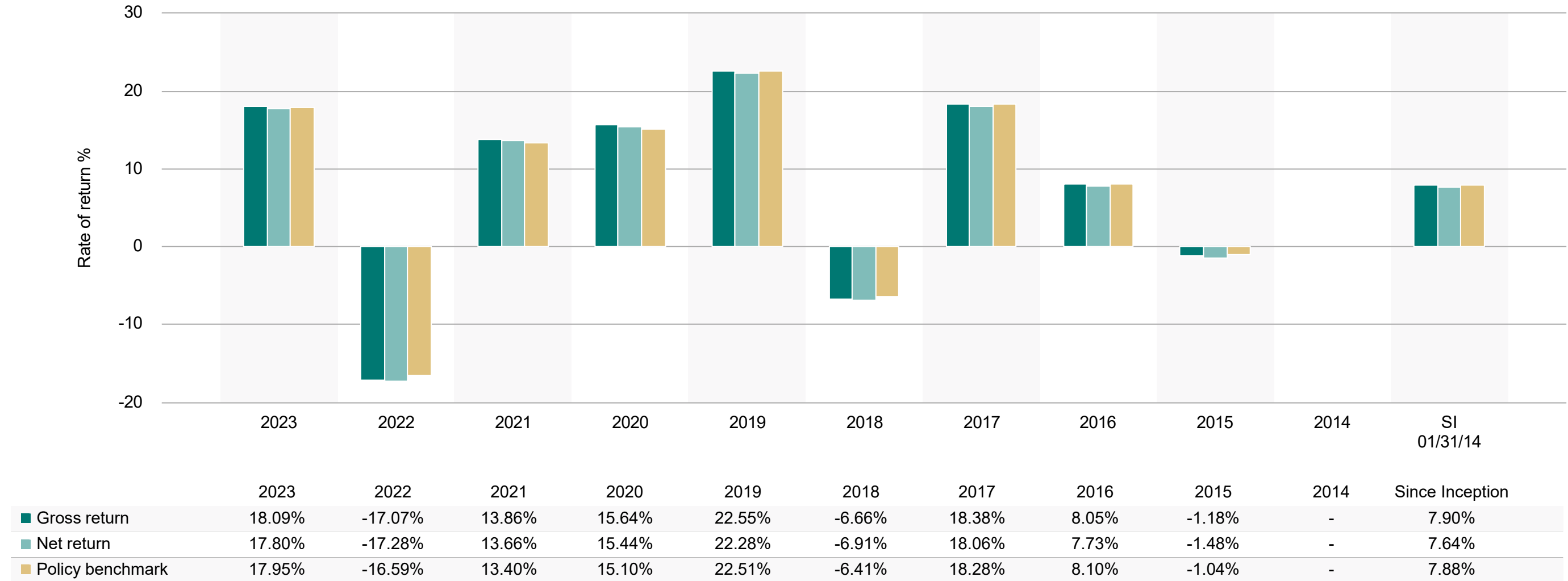
Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance 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 performance—annual periods

Miracosta College Foundation - Endowment Portfolio

For the period ended March 31, 2024

Gross versus net of fees



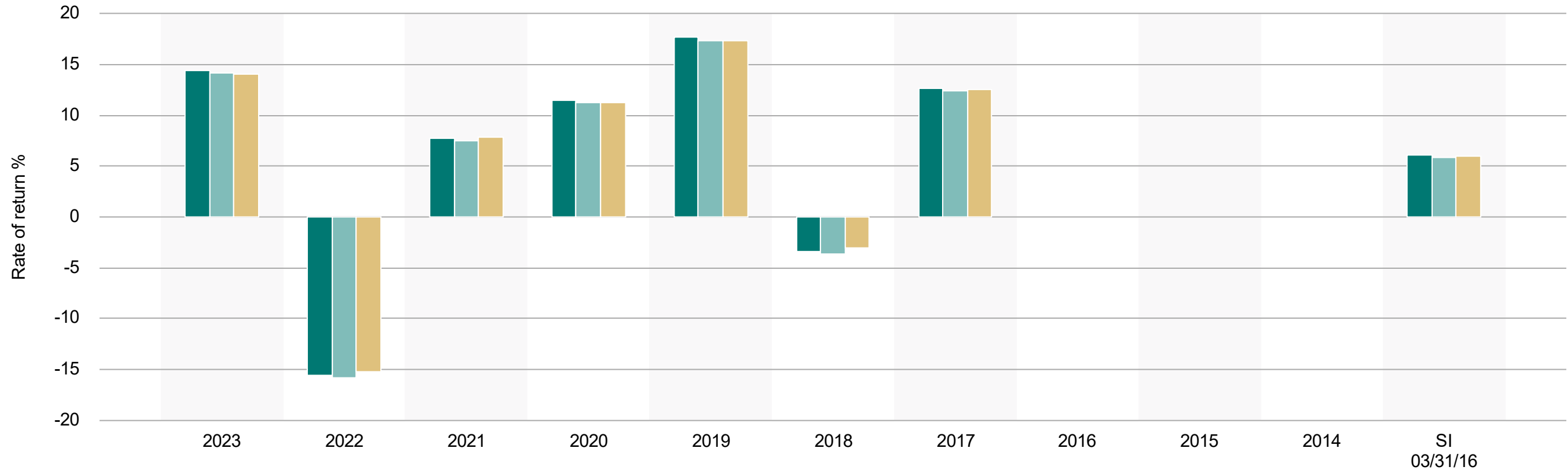
Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance 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 performance—annual periods

Miracosta College Foundation - Excess Reserve Portfolio

For the period ended March 31, 2024

Gross versus net of fees



	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Since Inception
■ Gross return	14.46%	-15.63%	7.70%	11.45%	17.65%	-3.41%	12.69%	-	-	-	6.13%
■ Net return	14.18%	-15.84%	7.51%	11.26%	17.40%	-3.68%	12.38%	-	-	-	5.89%
■ Policy benchmark	14.10%	-15.27%	7.85%	11.28%	17.32%	-3.07%	12.50%	-	-	-	6.03%

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.**

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Cash flow and market value summary

Miracosta College Foundation

For the periods ended March 31, 2024

Cash flow summary and market value history

Beginning Market Value

Endowment

	Last month	Last three months	Year-to-date	One year
Beginning Market Value	\$14,890,153.19	\$14,444,705.04	\$14,444,705.04	\$12,792,908.27
Net Cash Flow	-\$707,029.13	-\$716,057.07	-\$716,057.07	-\$532,729.58
Contributions	\$0.00	\$0.00	\$0.00	\$307,783.71
Redemptions	-\$707,029.13	-\$707,029.13	-\$707,029.13	-\$807,029.13
Advisory Fees	\$0.00	-\$9,027.94	-\$9,027.94	-\$33,484.16
Net Investment Change	\$393,193.40	\$847,669.48	\$847,669.48	\$2,316,138.77
Net Capital	\$341,299.53	\$776,749.99	\$776,749.99	\$1,947,939.78
Investment Income	\$51,893.87	\$70,919.49	\$70,919.49	\$368,198.99
Ending Market Value	\$14,576,317.46	\$14,576,317.46	\$14,576,317.46	\$14,576,317.46

Excess Reserve

	Last month	Last three months	Year-to-date	One year
Beginning Market Value	\$4,093,801.03	\$4,030,604.62	\$4,030,604.62	\$3,348,906.37
Net Cash Flow	\$0.00	-\$2,519.13	-\$2,519.13	\$357,663.39
Contributions	\$0.00	\$0.00	\$0.00	\$366,741.36
Redemptions	\$0.00	\$0.00	\$0.00	\$0.00
Advisory Fees	\$0.00	-\$2,519.13	-\$2,519.13	-\$9,077.97
Net Investment Change	\$86,292.78	\$152,008.32	\$152,008.32	\$473,524.06
Net Capital	\$72,832.67	\$127,750.89	\$127,750.89	\$357,584.42
Investment Income	\$13,460.11	\$24,257.43	\$24,257.43	\$115,939.64
Ending Market Value	\$4,180,093.82	\$4,180,093.82	\$4,180,093.82	\$4,180,093.82

Source: Vanguard.

Cash flow and market value summary (continued)

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MiraCosta College Foundation

For the periods ended March 31, 2024

Cash flow summary and market value history

	Last month	Last three months	Year-to-date	One year
Beginning Market Value	\$1,048,531.31	\$1,042,181.82	\$1,042,181.82	\$1,002,110.47
Net Cash Flow	\$0.00	-\$651.36	-\$651.36	-\$2,546.65
Contributions	\$0.00	\$0.00	\$0.00	\$0.00
Redemptions	\$0.00	\$0.00	\$0.00	\$0.00
Advisory Fees	\$0.00	-\$651.36	-\$651.36	-\$2,546.65
Net Investment Change	\$4,768.93	\$11,769.78	\$11,769.78	\$53,736.42
Net Capital	\$0.01	-\$1,576.05	-\$1,576.05	\$6,234.06
Investment Income	\$4,768.92	\$13,345.83	\$13,345.83	\$47,502.36
Ending Market Value	\$1,053,300.24	\$1,053,300.24	\$1,053,300.24	\$1,053,300.24

	Last month	Last three months
Beginning Market Value	\$235,391.49	\$228,502.92
Net Cash Flow	\$0.00	\$0.00
Contributions	\$0.00	\$0.00
Redemptions	\$0.00	\$0.00
Advisory Fees	\$0.00	\$0.00
Net Investment Change	\$6,191.68	\$13,080.25
Net Capital	\$5,371.96	\$11,953.80
Investment Income	\$819.72	\$1,126.45
Ending Market Value	\$241,583.18	\$241,583.18

Source: Vanguard.

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Investment expense summary

Miracosta College Foundation - Endowment Portfolio

As of March 31, 2024

	Market value	% of portfolio	Expense ratio	Estimated expense
■ Total Equity	\$11,082,665.10	76.0%		\$5,914.06
• Domestic Equity	\$6,767,223.75	46.4%		\$2,030.17
Vanguard Total Stock Market Index Fund Institutional Shares	\$6,767,223.75	46.4%	0.030%	\$2,030.17
• International Equity	\$4,315,441.35	29.6%		\$3,883.90
Vanguard Total International Stock Index Fund Institutional Shares	\$4,315,441.35	29.6%	0.090%	\$3,883.90
■ Total Fixed Income	\$3,493,652.36	24.0%		\$3,048.12
• Domestic Fixed Income	\$2,453,491.36	16.8%		\$1,903.94
Vanguard Total Bond Market Index Fund Admiral Shares	\$1,219,541.90	8.4%	0.050%	\$609.77
Vanguard Short-Term Investment-Grade Fund Admiral Shares	\$662,646.59	4.5%	0.100%	\$662.65
Vanguard Long-Term Investment-Grade Fund Admiral Shares	\$301,099.65	2.1%	0.120%	\$361.32
Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	\$270,203.21	1.9%	0.100%	\$270.20
• International Fixed Income	\$1,040,161.00	7.1%		\$1,144.18
Vanguard Total International Bond Index Fund Admiral Shares	\$1,040,161.00	7.1%	0.110%	\$1,144.18
Total	\$14,576,317.46	100.0%	0.061%	\$8,962.18

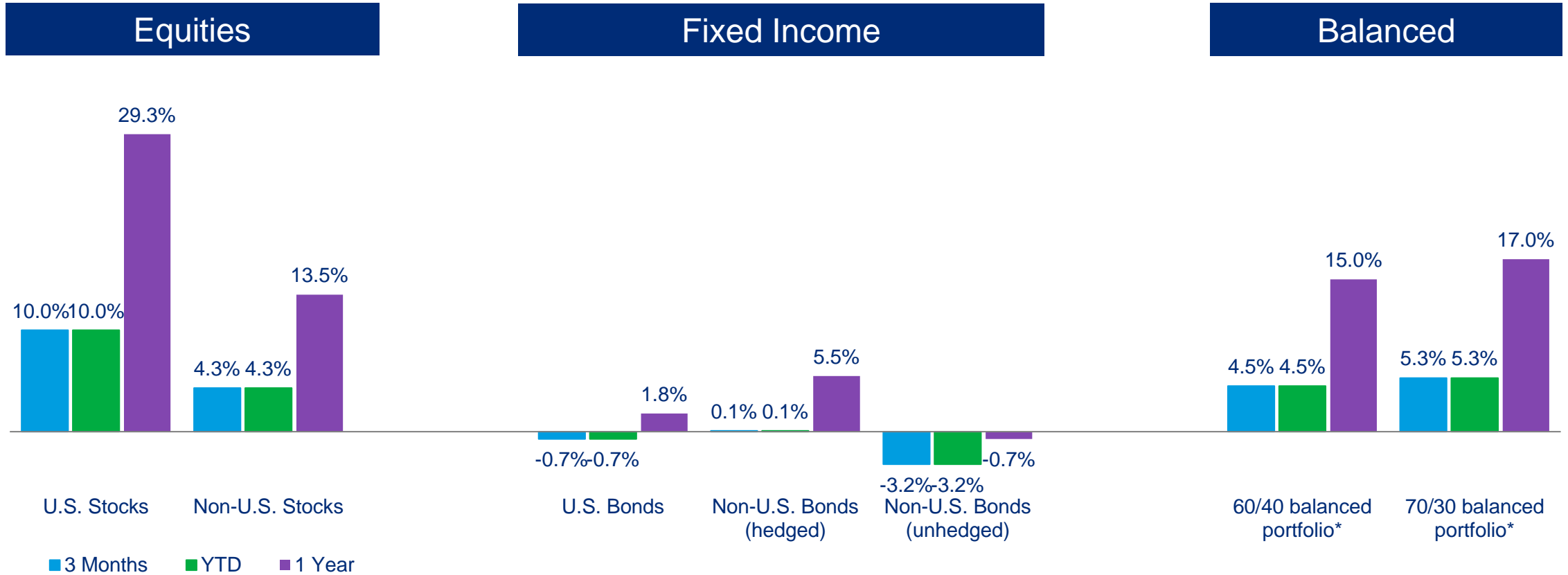
Estimated annual investment expenses are shown for public/liquid investments held in the portfolio. If any non-public/illiquid investments are held in the portfolio then they will be excluded due to the variability of fees inherent in that space. Estimated annual investment expenses are forward looking and can be subject to change. Advisory fees paid by the portfolio for all investments held are captured in the Cash flow and market value summary report.

Market Review and Outlook

4

Global market returns - overview

Global market returns as of March 31, 2024 (%)



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

US Stocks (CRSP US Total Market Index), Non-US Stocks (FTSE Global All-Cap ex-US Index), US Bonds (Bloomberg US Aggregate Float Adjusted Index), Non-US Bonds hedged (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), Non-US Bonds unhedged (Bloomberg Global Aggregate Index ex-USD).

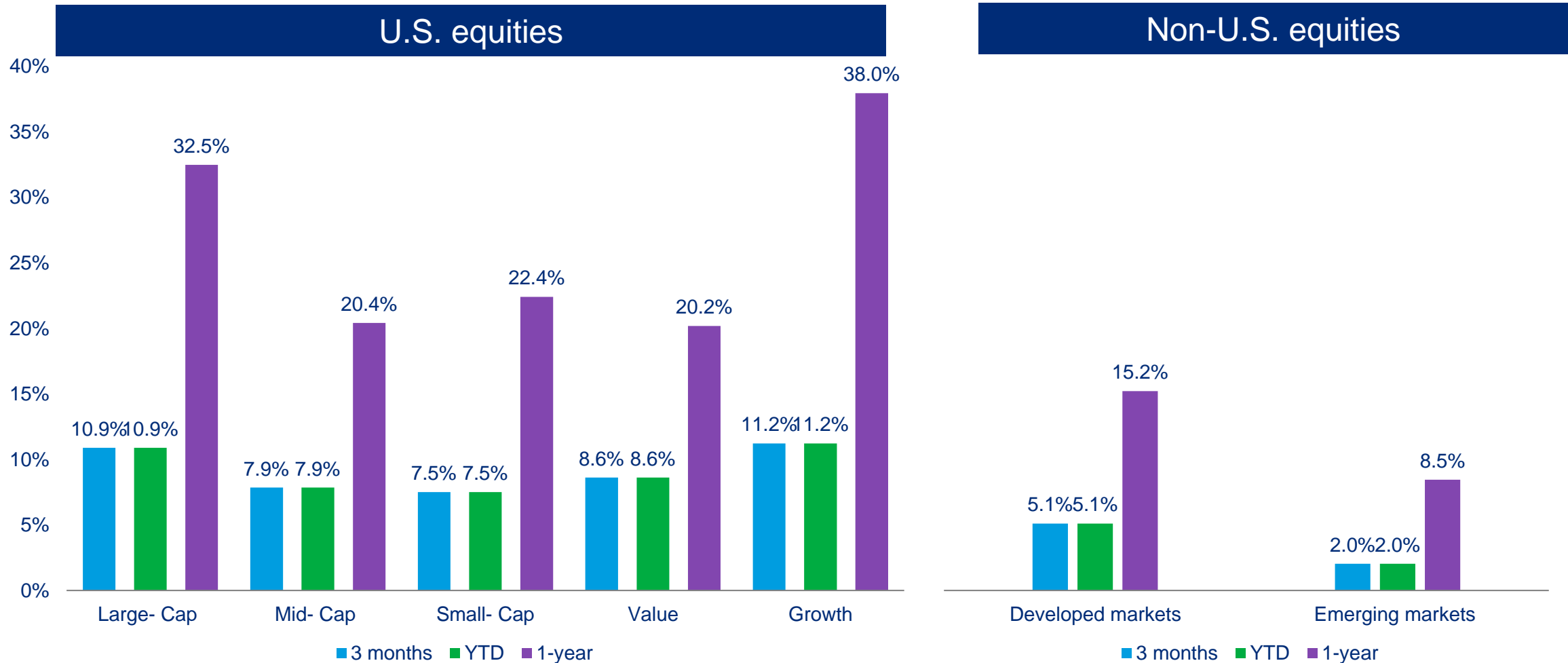
*60/40 balanced portfolio Static Composite (36% U.S. stocks, 24% international stocks, and 28% investment-grade U.S. bonds, 12% investment-grade international bonds).

*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).

Global market returns - equities

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Global market returns as of March 31, 2024 (%)



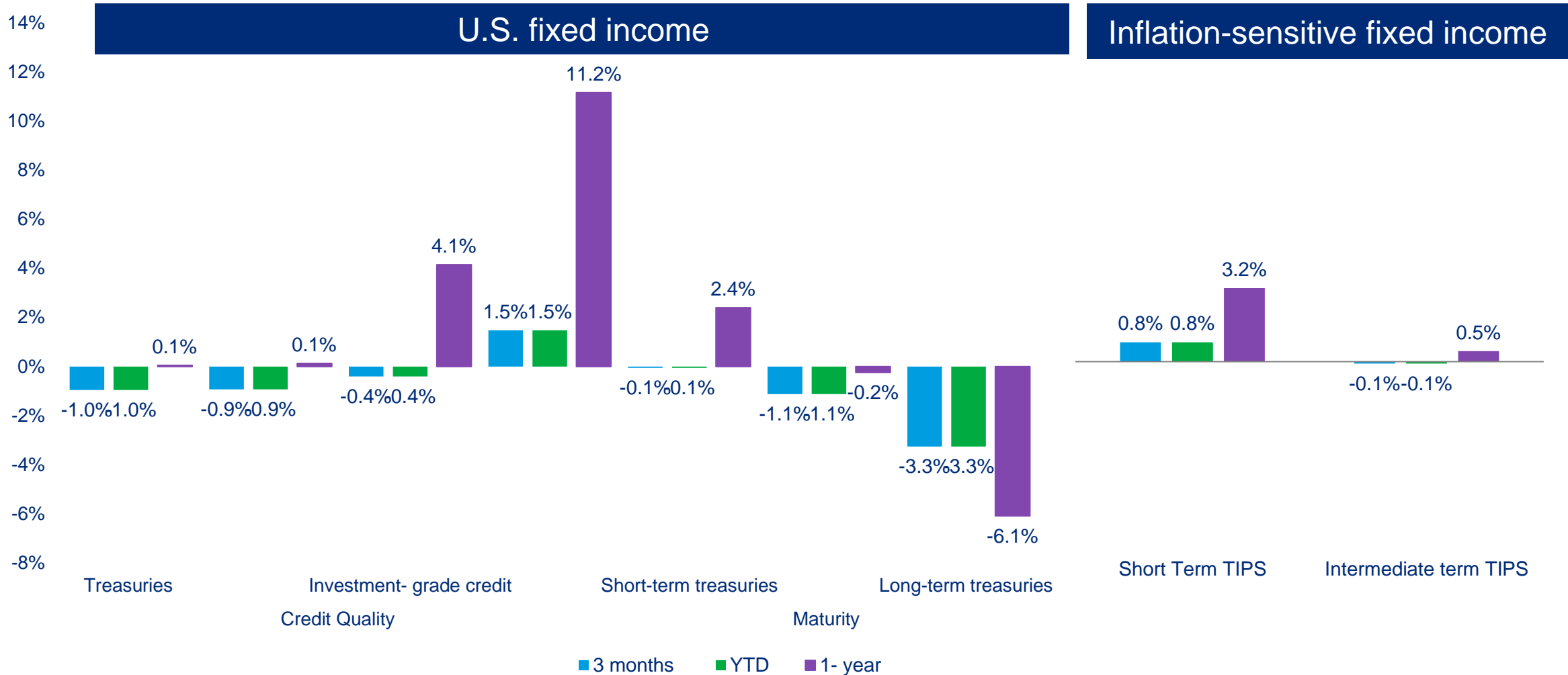
Source: Refinitiv, Bloomberg; as of 3/31/24

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)

Global market returns – fixed income

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Global market returns as of March 31, 2024 (%)

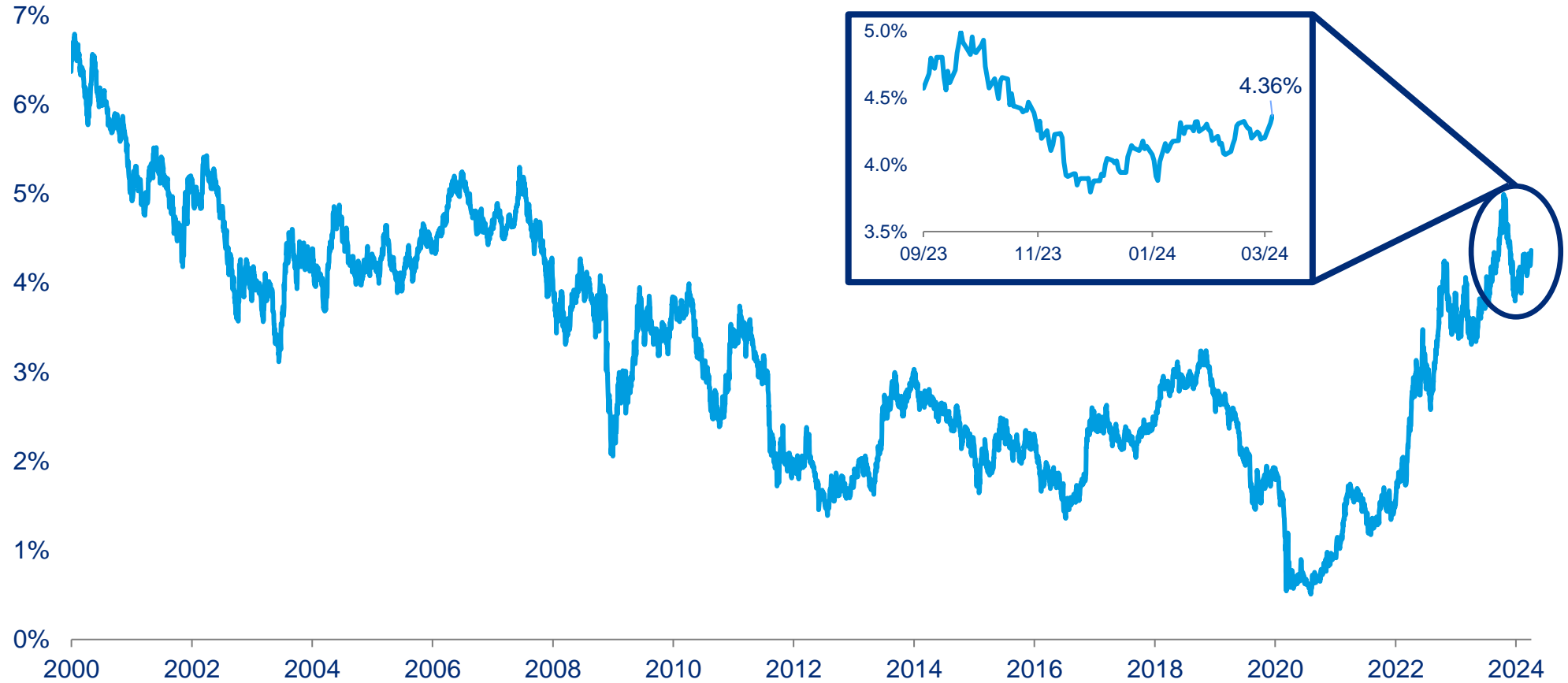


Source: Refinitiv, Bloomberg; as of 3/31/24

Treasuries (Bloomberg US Treasury Index), Government (Bloomberg US Government Index), Investment-grade credit (Bloomberg US Credit Index), High Yield Corporate (Bloomberg US High Yield Corporate index), Short Term treasuries (Bloomberg US 1-5yr Treasury Index), Intermediate term treasuries (Bloomberg US 5-10yr Treasury Index), Long term Treasuries (Bloomberg US Long Treasury Index), Short Term TIPS (Bloomberg US Treasury 0-5yr TIPS Index), Intermediate term TIPS (Bloomberg US TIPS Index)

The upside surprises in data led to bond markets repricing expectations of rate cuts. Yields rose.

US 10-year yield



Source: Bloomberg. Data as of April 2, 2024.

Periodic table of returns

Global market returns as of December 31, 2023 (%)

Periodic Table of Index Returns

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Small Cap Core Equity	38.8%	US REITS 28.0%	Private Equity All 10.1%	Small Cap Core Equity 21.3%	Emerging Market Equity 37.3%	Private Equity All 19.2%	Large Cap Core Equity 31.5%	Private Equity All 29.9%	Private Equity All 53.1%	Commodity 16.1%	Large Cap Core Equity 26.3%
Mid Cap Core Equity	34.8%	Private Equity All 15.1%	US REITS 2.8%	High Yield Bonds 17.1%	Developed Intl Equity 25.0%	Treasury Bonds 0.9%	Mid Cap Core Equity 30.5%	Small Cap Core Equity 20.0%	US REITS 41.3%	Private Equity All 0.5%	Global Equity 22.2%
Large Cap Core Equity	32.4%	Large Cap Core Equity 13.7%	Large Cap Core Equity 1.4%	Mid Cap Core Equity 13.8%	Global Equity 24.0%	Aggregate Bonds 0.0%	US REITS 28.7%	Large Cap Core Equity 18.4%	Large Cap Core Equity 28.7%	Hedge Fund of Funds -5.6%	Developed Intl Equity 18.2%
Global Equity	22.8%	Mid Cap Core Equity 13.2%	Blended 60/40 1.3%	Large Cap Core Equity 12.0%	Large Cap Core Equity 21.8%	High Yield Bonds -2.1%	Global Equity 26.6%	Emerging Market Equity 18.3%	Commodity 27.1%	High Yield Bonds -11.2%	Blended 60/40 17.7%
Developed Intl Equity	22.8%	Blended 60/40 11.0%	Treasury Bonds 0.8%	Commodity 11.8%	Mid Cap Core Equity 18.5%	Blended 65/35 -2.5%	Small Cap Core Equity 25.5%	Mid Cap Core Equity 17.1%	Mid Cap Core Equity 22.6%	Emerging Debt Local -11.7%	Mid Cap Core Equity 17.2%
Private Equity All	22.0%	Aggregate Bonds 6.0%	Aggregate Bonds 0.6%	Emerging Market Equity 11.2%	Private Equity All 17.1%	Hedge Fund of Funds -2.6%	Blended 60/40 23.3%	Global Equity 16.3%	Global Equity 18.5%	Treasury Bonds 12.5%	Small Cap Core Equity 16.9%
Blended 60/40	19.3%	Treasury Bonds 5.0%	Hedge Fund of Funds -0.3%	Emerging Debt Local 9.9%	Blended 60/40 15.4%	US REITS -4.0%	Developed Intl Equity 22.0%	Blended 60/40 14.6%	Blended 60/40 15.9%	Emerging Debt Local -13.0%	Private Equity All 15.7%
Hedge Fund of Funds	9.0%	Small Cap Core Equity 4.9%	Developed Intl Equity -0.8%	Private Equity All 9.2%	Emerging Debt Local 15.2%	Large Cap Core Equity -4.4%	Emerging Market Equity 18.4%	Treasury Bonds 8.0%	Small Cap Core Equity 14.8%	Developed Intl Equity -14.5%	High Yield Bonds 13.4%
High Yield Bonds	7.5%	Global Equity 4.2%	Global Equity -2.4%	Blended 60/40 8.8%	Small Cap Core Equity 14.6%	Emerging Debt Local -6.2%	High Yield Bonds 14.3%	Developed Intl Equity 7.8%	Developed Intl Equity 11.3%	Blended 60/40 -15.8%	Emerging Debt Local 12.7%
US REITS	2.9%	Hedge Fund of Funds 3.4%	Mid Cap Core Equity -2.4%	US REITS 8.6%	US REITS 8.7%	Mid Cap Core Equity -9.1%	Emerging Debt Local 13.5%	Aggregate Bonds 7.5%	Hedge Fund of Funds 5.7%	Mid Cap Core Equity -17.3%	US REITS 11.4%
Aggregate Bonds	-2.0%	High Yield Bonds 2.5%	Small Cap Core Equity -4.4%	Global Equity 7.9%	Hedge Fund of Funds 7.6%	Global Equity -9.4%	Private Equity All 11.9%	High Yield Bonds 7.1%	High Yield Bonds 5.3%	Large Cap Core Equity -18.1%	Emerging Market Equity 9.8%
Emerging Market Equity	-2.6%	Emerging Market Equity -2.2%	High Yield Bonds -4.5%	Aggregate Bonds 2.7%	High Yield Bonds 7.5%	Small Cap Core Equity -11.0%	Aggregate Bonds 8.7%	Hedge Fund of Funds 6.7%	Aggregate Bonds -1.5%	Global Equity -18.4%	Aggregate Bonds 5.5%
Treasury Bonds	-2.8%	Developed Intl Equity -4.9%	Emerging Market Equity -14.9%	Treasury Bonds 1.0%	Aggregate Bonds 3.5%	Commodity -11.3%	Commodity 7.7%	Emerging Debt Local 2.7%	Treasury Bonds -2.3%	Emerging Market Equity -20.1%	Hedge Fund of Funds 4.4%
Emerging Debt Local	-9.0%	Emerging Debt Local -5.7%	Emerging Debt Local -14.9%	Developed Intl Equity 1.0%	Treasury Bonds 2.3%	Developed Intl Equity -13.8%	Treasury Bonds 6.9%	Commodity -3.1%	Emerging Market Equity -2.5%	Small Cap Core Equity -20.4%	Treasury Bonds 4.1%
Commodity	-9.5%	Commodity -17.0%	Commodity -24.7%	Hedge Fund of Funds 0.5%	Commodity 1.7%	Emerging Market Equity -14.6%	Hedge Fund of Funds 6.2%	US REITS -5.1%	Emerging Debt Local -8.8%	US REITS -24.9%	Commodity -7.9%

Market Indices

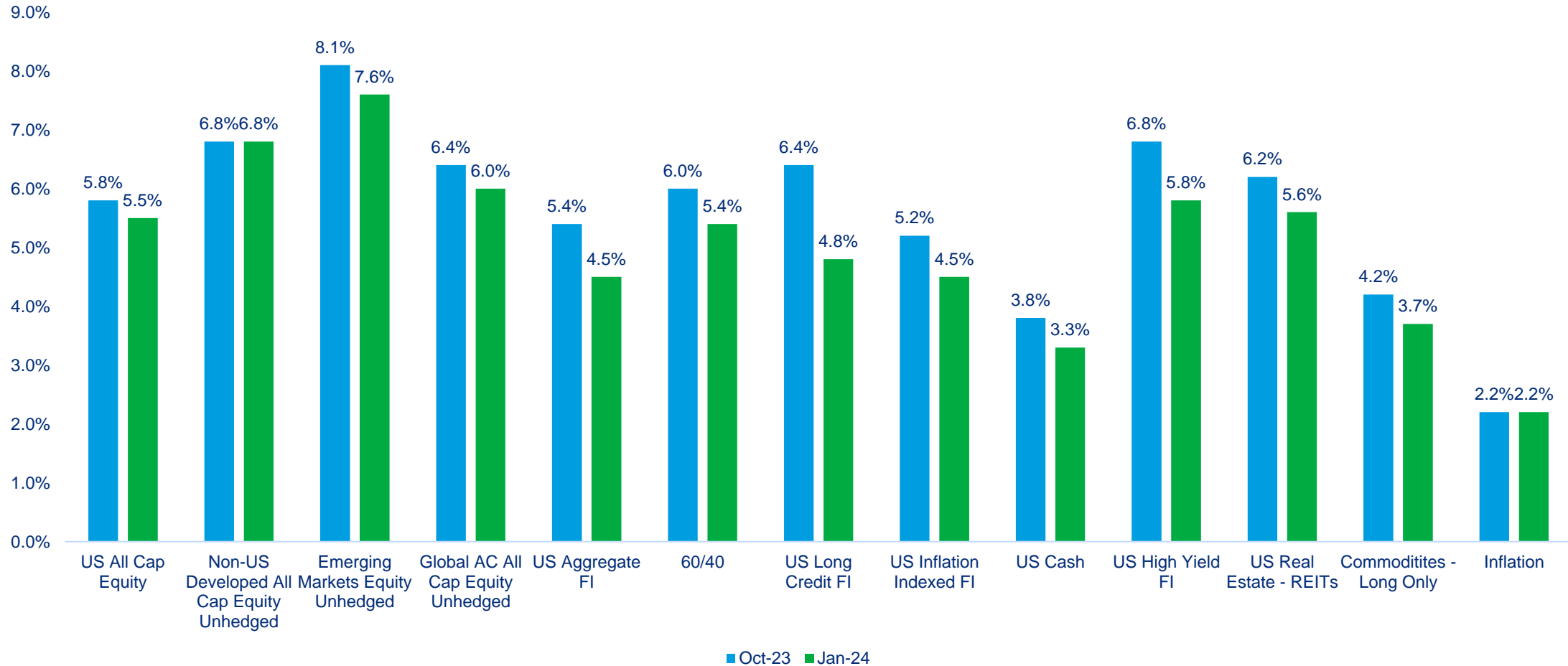
10-Year Average Return

17.3%	Private Equity All Burgiss Private iQ All
12.0%	Large Cap Core Equity S&P 500
9.4%	Mid Cap Core Equity Russell Midcap
8.0%	US REITS NAREIT Equity REITs
7.9%	Global Equity MSCI ACWI Net
7.8%	Blended 60/40 60%S&P 500/40% Barc
7.2%	Small Cap Core Equity Russell 2000
4.6%	High Yield Bonds Bloomberg High Yield
4.3%	Developed Intl Equity MSCI EAFE Net
3.1%	Hedge- Fund of Funds HFRI Fund of Funds
2.7%	Emerging Markets Equity MSCI EMF Net
1.8%	Aggregate Bonds Bloomberg Aggregate
1.3%	Treasury Bonds Bloomberg Treasury
0.1%	Emerging Debt Local JP Morgan Emerging Market GBI-EM
-1.1%	Commodity Bloomberg Commodity

Mercer's 10-Year Assumptions for key asset classes vs previous quarter (as of 12/31/23)

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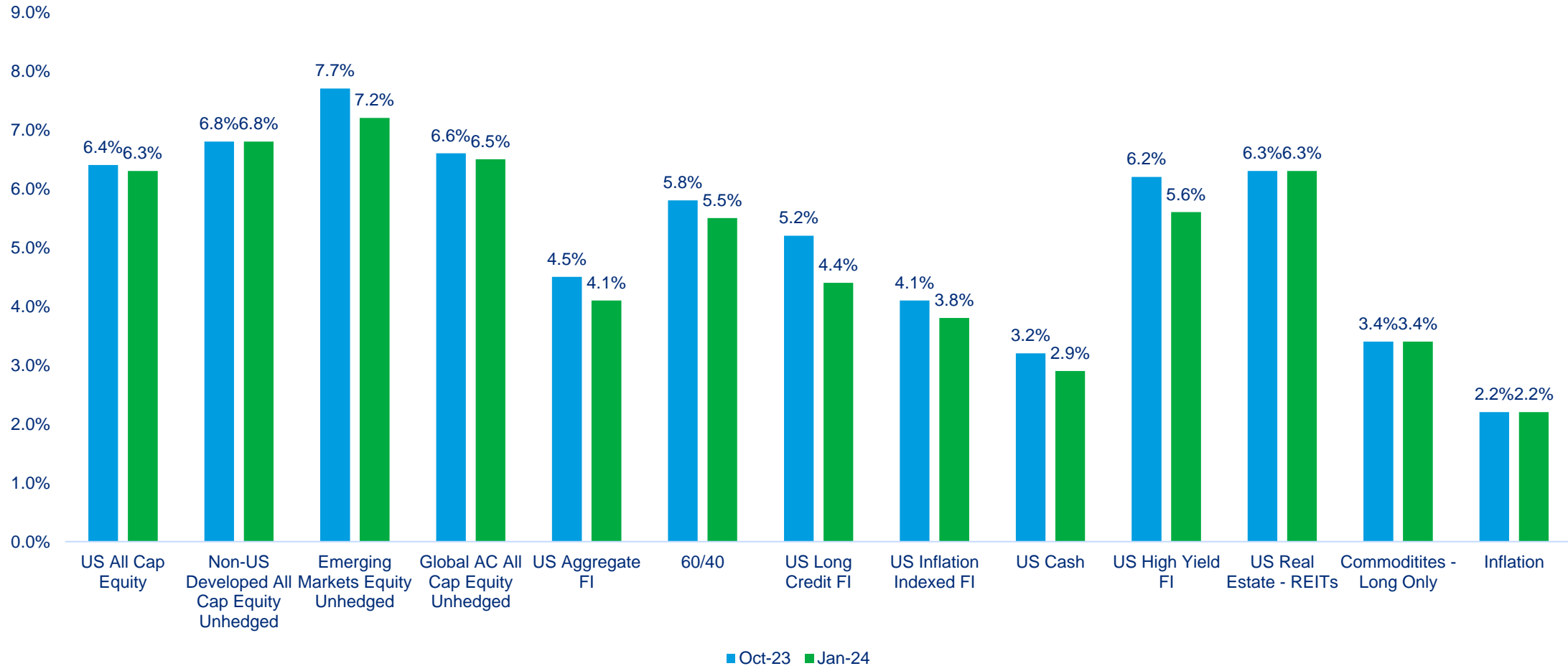
Nominal 10-Year Assumptions - Current Mercer Assumptions vs Last Quarter



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Mercer's 20-Year Assumptions for key asset classes vs previous quarter (as of 12/31/23)

Nominal 20-Year Assumptions - Current Mercer Assumptions vs Last Quarter



Correlation assumptions

	US Large Stocks	US Mid Stocks	US Small Stocks	Intl Large Stocks	Intl Small Stocks	Emerging Market Stocks	Global Stocks	US Broad Fixed Income	US High Yield Fixed	US Municipal Bonds	US Inflation Protected Fixed	Cash	Emerging Market Debt (Local)	Global Fixed Income	Global Real Estate - Private	Global Real Estate - REITS	Private Equity / Special Situations	Infrastructure - Listed	Infrastructure - Core	Defensive Hedge Funds	Natural Resources- Listed	Natural Resource Stocks - Private	Private Debt - Core
US Large Stocks	1.00	0.97	0.91	0.77	0.74	0.75	0.97	0.12	0.57	0.17	-0.04	-0.02	0.56	0.12	0.49	0.70	0.83	0.74	0.52	0.70	0.69	0.70	0.44
US Mid Stocks		1.00	0.98	0.75	0.79	0.73	0.95	0.12	0.56	0.16	-0.04	-0.02	0.55	0.12	0.47	0.72	0.88	0.72	0.51	0.68	0.67	0.68	0.42
US Small Stocks			1.00	0.70	0.80	0.68	0.90	0.11	0.52	0.15	-0.04	-0.02	0.51	0.11	0.44	0.70	0.89	0.67	0.47	0.64	0.63	0.64	0.40
Intl Large Stocks				1.00	0.95	0.80	0.90	0.06	0.52	0.12	-0.08	-0.01	0.60	0.39	0.57	0.76	0.62	0.68	0.48	0.56	0.65	0.67	0.40
Intl Small Stocks					1.00	0.75	0.87	0.05	0.49	0.11	-0.08	-0.01	0.56	0.36	0.54	0.77	0.70	0.65	0.45	0.53	0.62	0.64	0.38
Emerging Market Stocks						1.00	0.86	0.01	0.49	0.07	-0.11	-0.03	0.78	0.24	0.49	0.66	0.61	0.63	0.42	0.54	0.64	0.66	0.38
Global Stocks							1.00	0.10	0.58	0.15	-0.07	-0.02	0.64	0.23	0.55	0.77	0.81	0.76	0.53	0.69	0.72	0.73	0.45
US Broad Fixed Income								1.00	0.44	0.75	0.59	0.20	0.27	0.65	0.28	0.23	0.10	0.14	0.12	0.09	0.04	0.00	0.20
US High Yield Fixed									1.00	0.45	0.08	0.03	0.58	0.35	0.36	0.47	0.46	0.49	0.34	0.49	0.41	0.41	0.72
US Municipal Bonds										1.00	0.45	0.15	0.28	0.51	0.26	0.23	0.14	0.17	0.14	0.14	0.09	0.07	0.25
US Inflation Protected Fixed											1.00	0.14	0.06	0.38	0.12	0.06	-0.03	-0.01	0.01	-0.05	0.04	0.03	-0.02
Cash												1.00	0.03	0.08	0.06	0.03	-0.01	0.00	0.01	-0.02	-0.03	-0.04	-0.01
Emerging Market Debt (Local)													1.00	0.44	0.43	0.54	0.46	0.46	0.32	0.43	0.50	0.51	0.42
Global Fixed Income														1.00	0.46	0.42	0.10	0.14	0.12	0.10	0.23	0.23	0.19
Global Real Estate - Private															1.00	0.91	0.39	0.56	0.49	0.34	0.42	0.43	0.24
Global Real Estate - REITS																1.00	0.62	0.68	0.54	0.50	0.56	0.58	0.34
Private Equity / Special Situations																	1.00	0.60	0.43	0.58	0.57	0.58	0.35
Infrastructure - Listed																		1.00	0.88	0.53	0.52	0.53	0.36
Infrastructure - Core																			1.00	0.37	0.36	0.36	0.25
Defensive Hedge Funds																				1.00	0.49	0.50	0.37
Natural Resources- Listed																					1.00	0.79	0.33
Natural Resource Stocks - Private																						1.00	0.33
Private Debt - Core																							1.00

Correlation coefficients measure the degree of co-movement between two asset classes. A correlation of 1.00 indicates that both assets move in lock-step with one another, while a correlation of (-1.00) suggests that the assets move in opposite directions. A correlation of 0 means that there is no relation.

Diversified portfolios take advantage of the tendency of asset classes to behave in different ways relative to each other. Asset classes with low correlations to one another can be combined to produce portfolios with less risk than any specific asset class displays on a stand-alone basis.

Expected return, volatility, and correlation are hypothetical projections and are derived using Mercer's forward-looking Capital Market Assumptions methodology. There can be no assurance that these results can be achieved. Actual results are likely to vary. Please see Important Notices for further information on Risk and Return Expectations.

Economic Overview

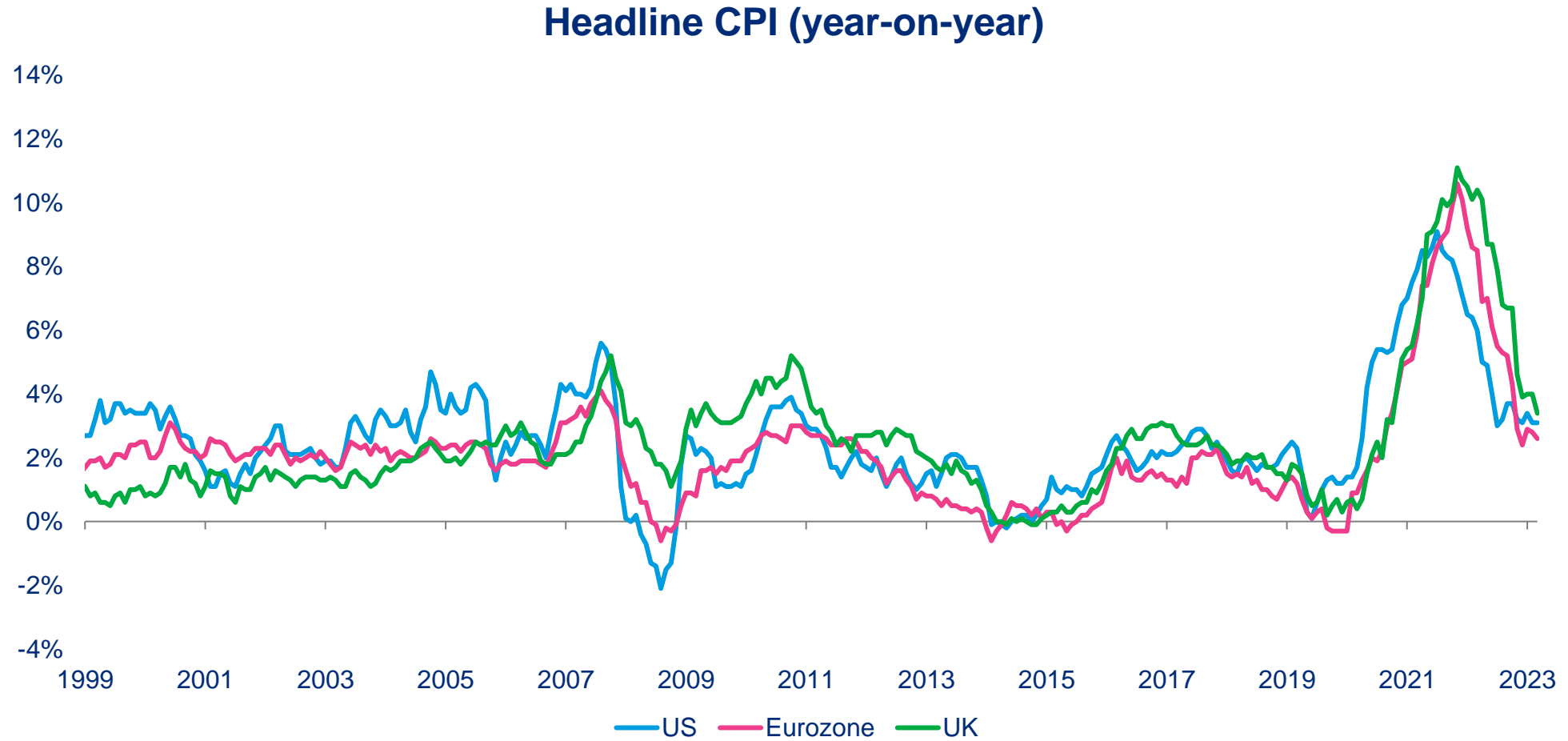
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Global economy should remain resilient driven by:

- Robust household balance sheets
- Easing financial conditions
- Loosening monetary policy
- Declining inflation
- Cooling labor markets

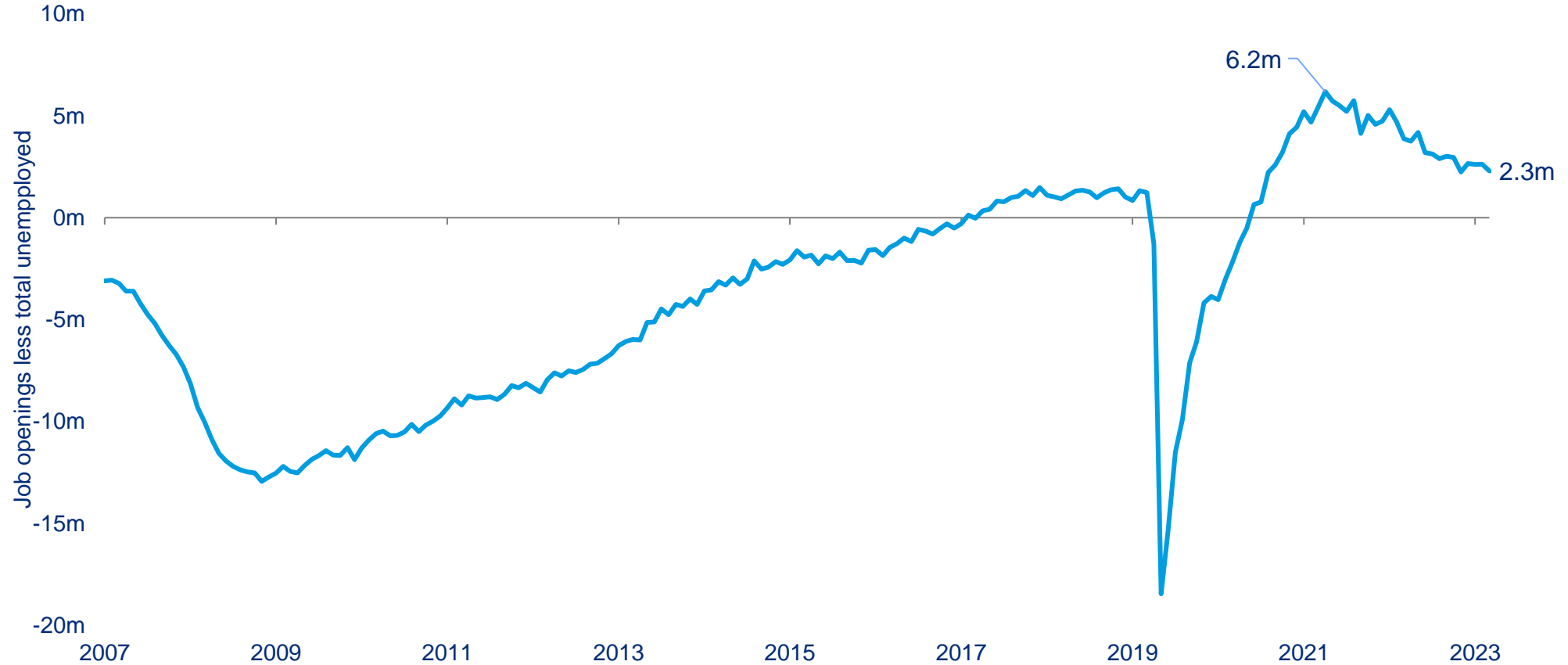
Inflation is returning back to normal



Source: Bloomberg. Data as of March 31, 2024.

Finally, labor markets are cooling which supports inflation in the *final mile*

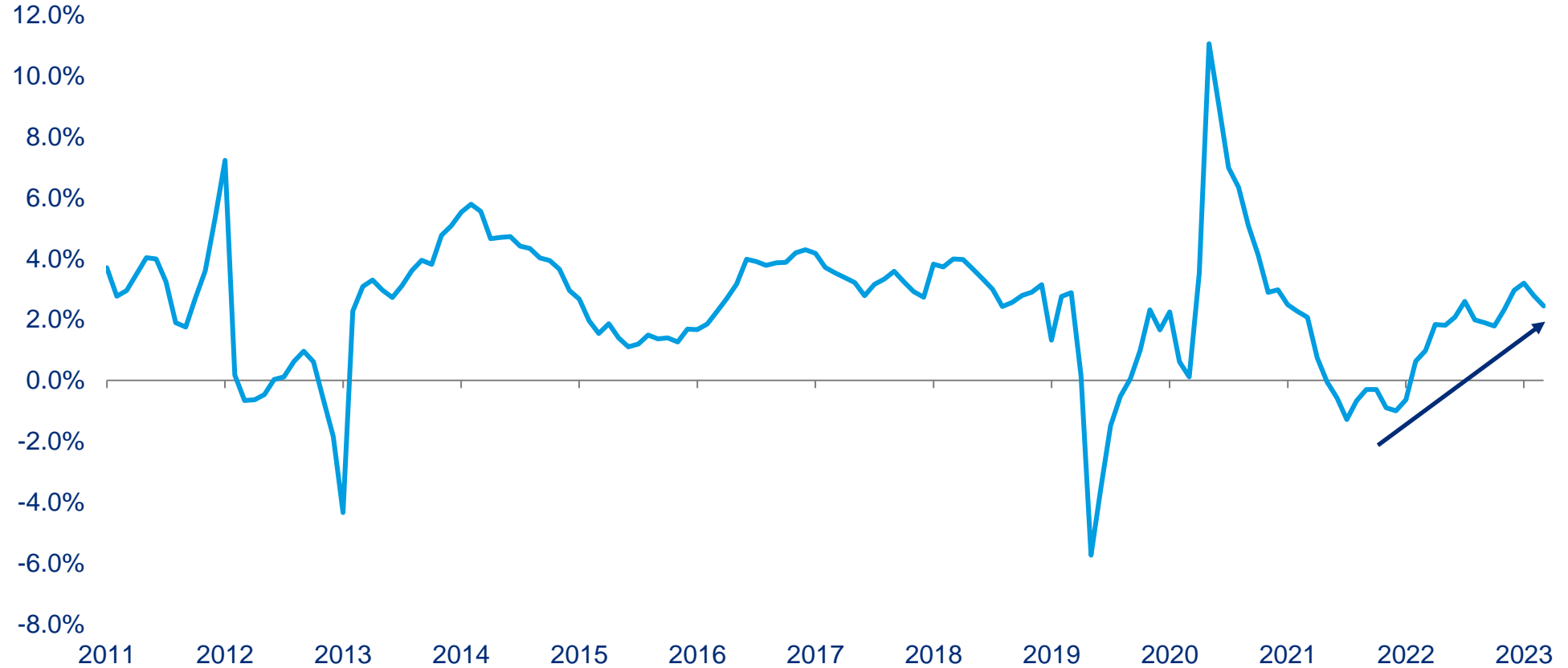
Labor market dynamics



Source: Bloomberg. Data as of March 31, 2024.

Real income growth has supported consumption even as pandemic related savings were drained

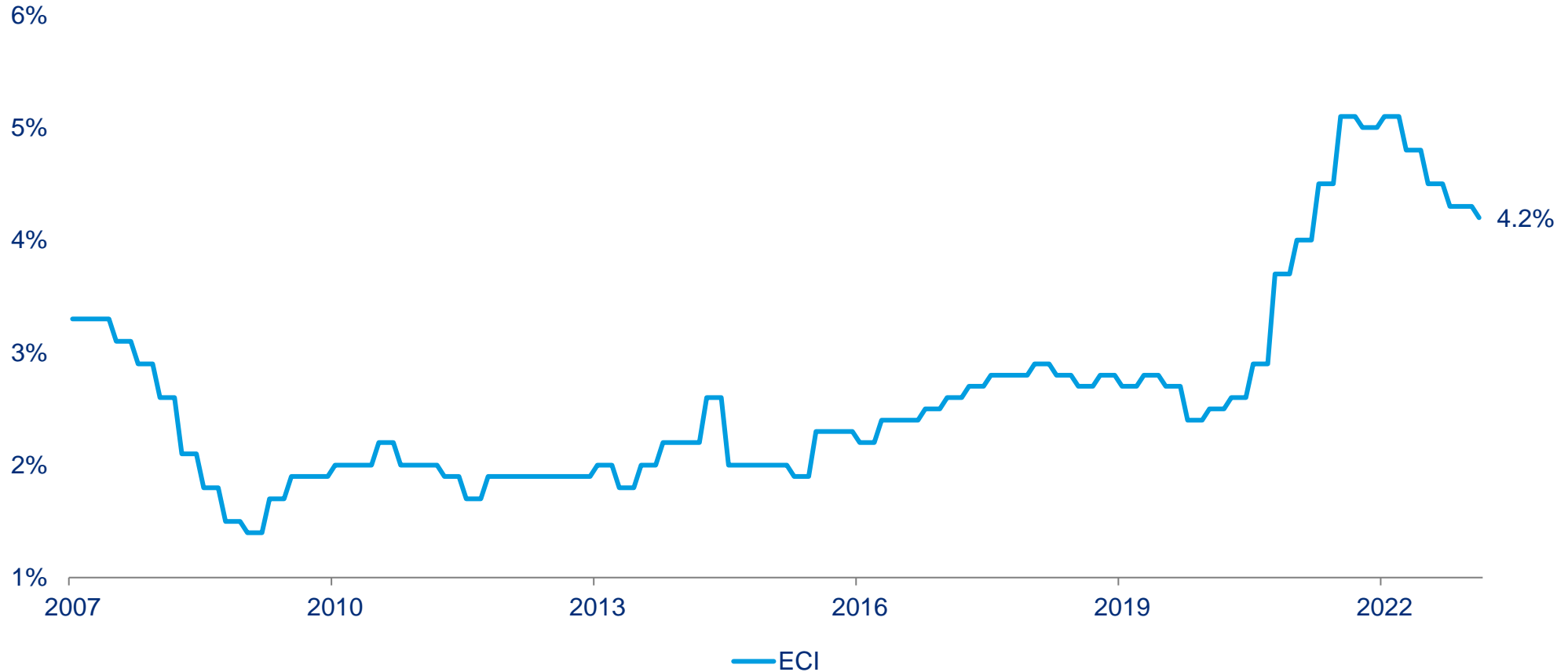
Year-on-year US real income growth



Source: Bloomberg. Data as of March 31, 2024.

Final piece of the jigsaw for inflation to return to target is labor markets. We are seeing some cooling.

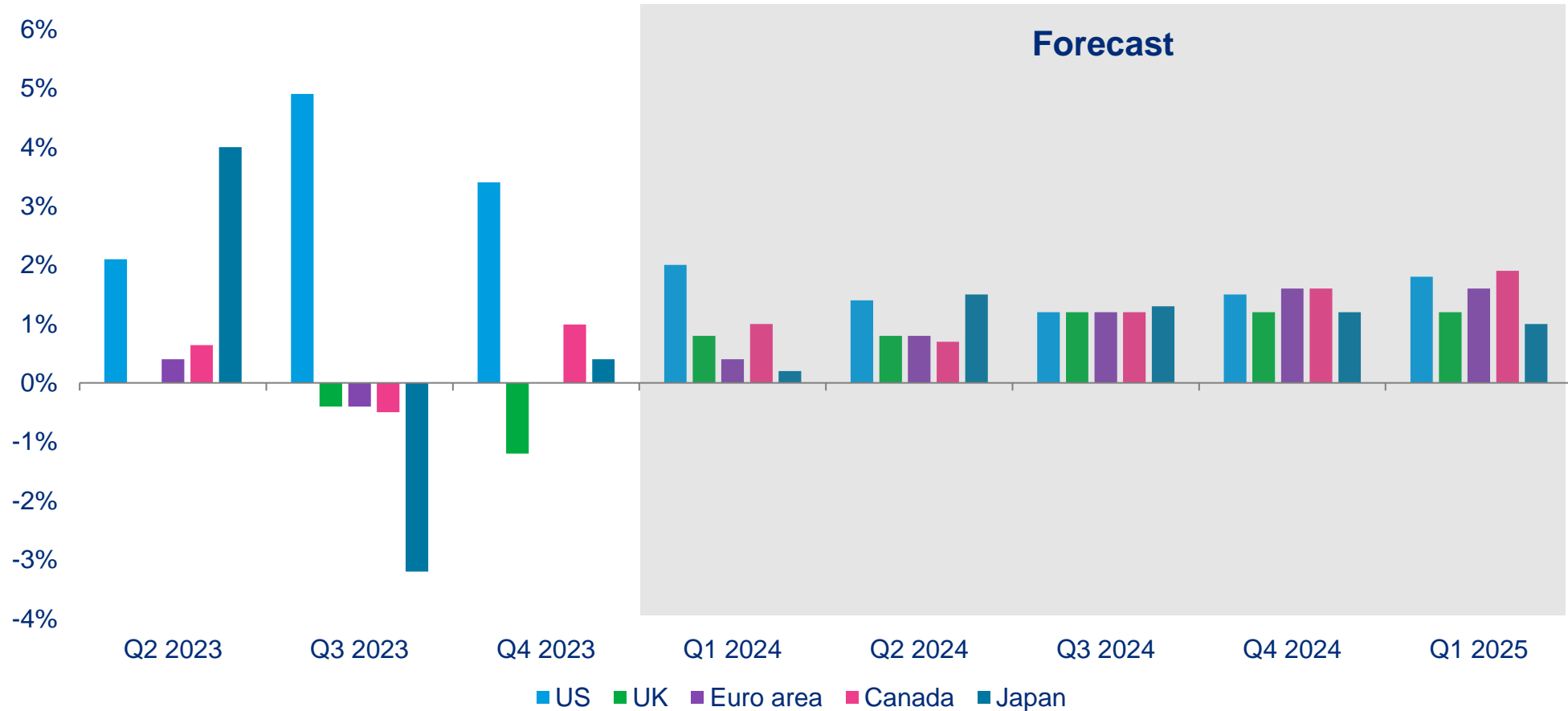
Wage Growth



Source: Bloomberg. Data as of March 31, 2024

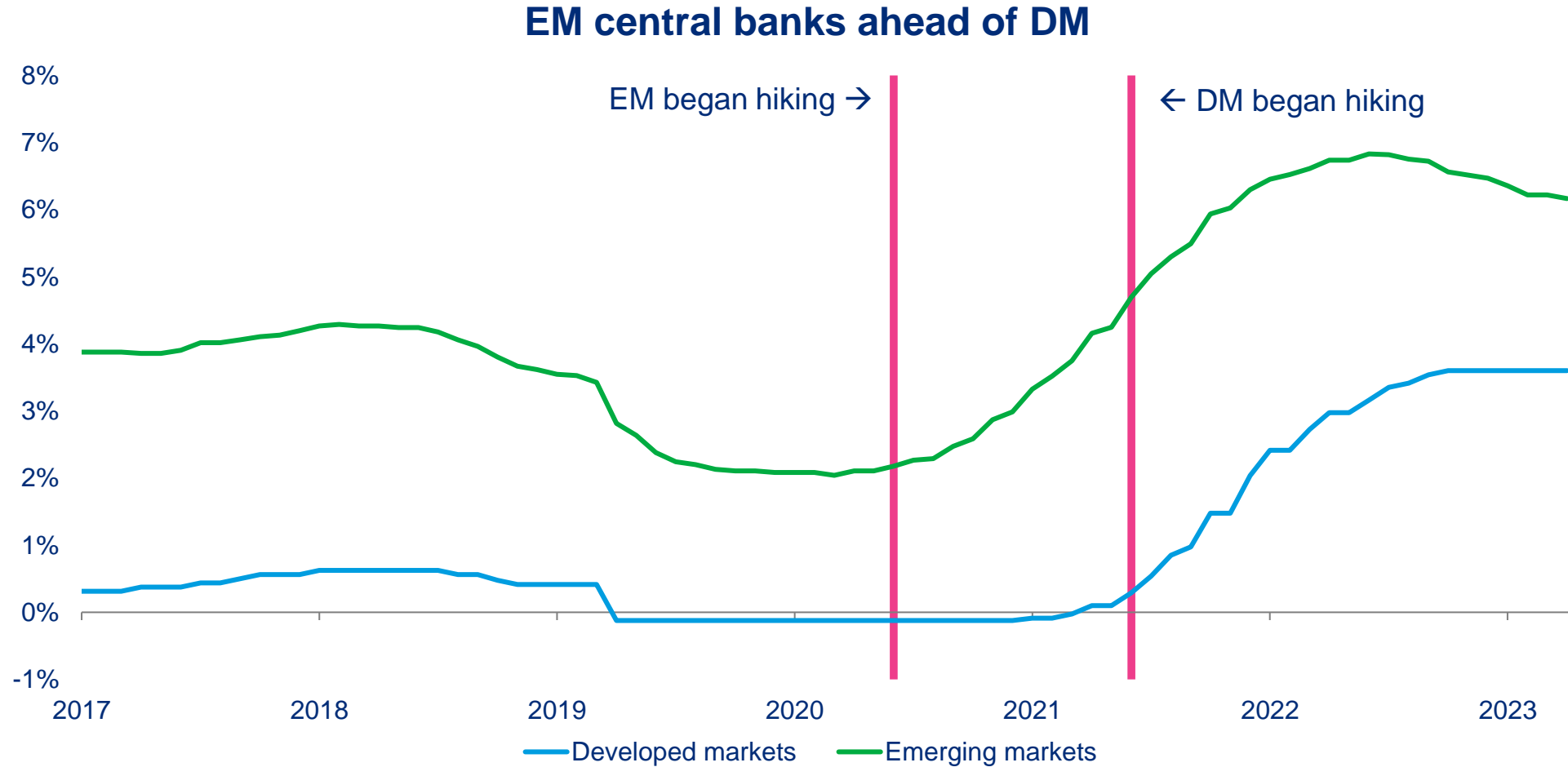
These factors should lead to developed market growth remain resilient and avoid recessions

Real GDP Forecasts (QoQ SAAR)



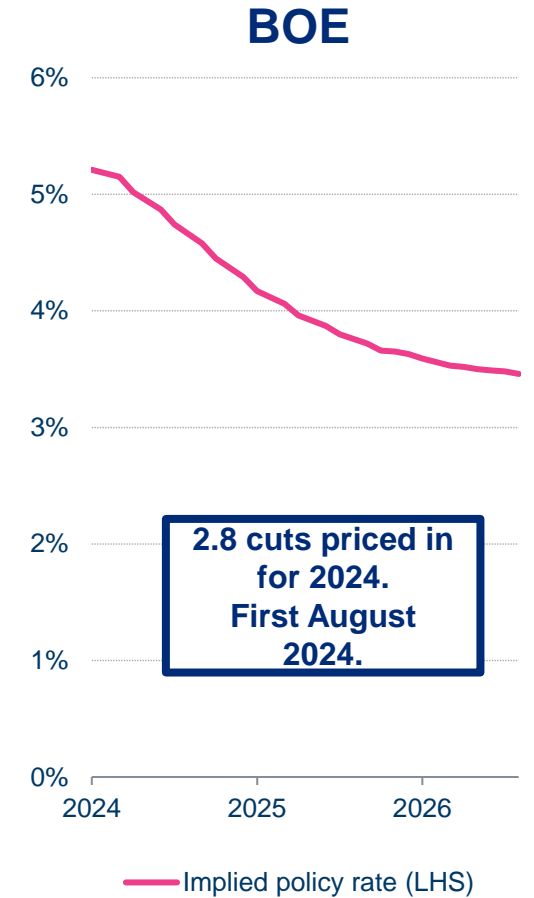
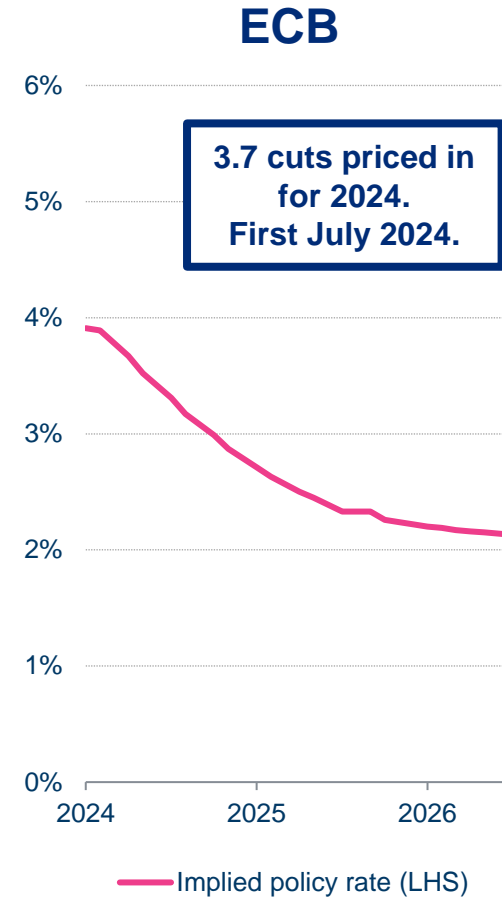
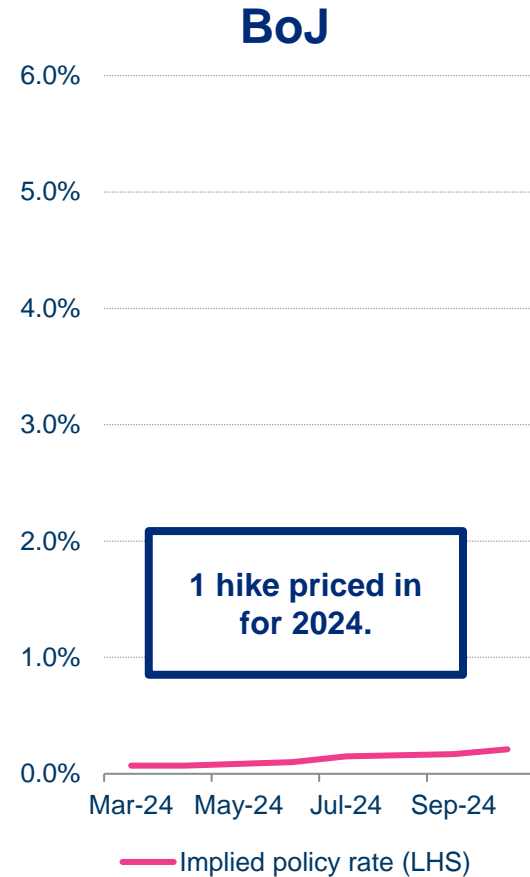
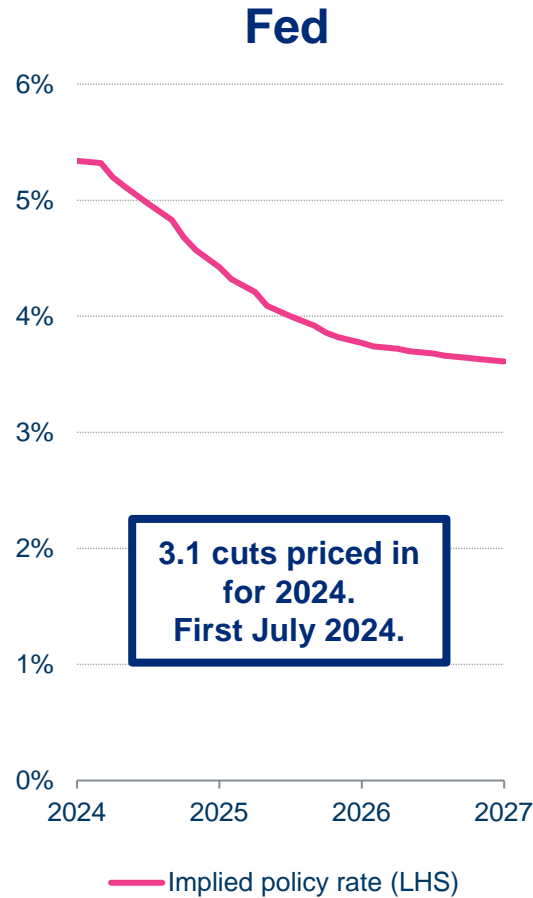
Source: Bloomberg. Consensus forecasts. Data as of April 2, 2024.

EM central banks are broadly easing policy. A further tailwind for growth



Source: Bloomberg. Data as of March 31, 2024. Equal weighted policy rates for 11 EM countries and 4 DM countries.

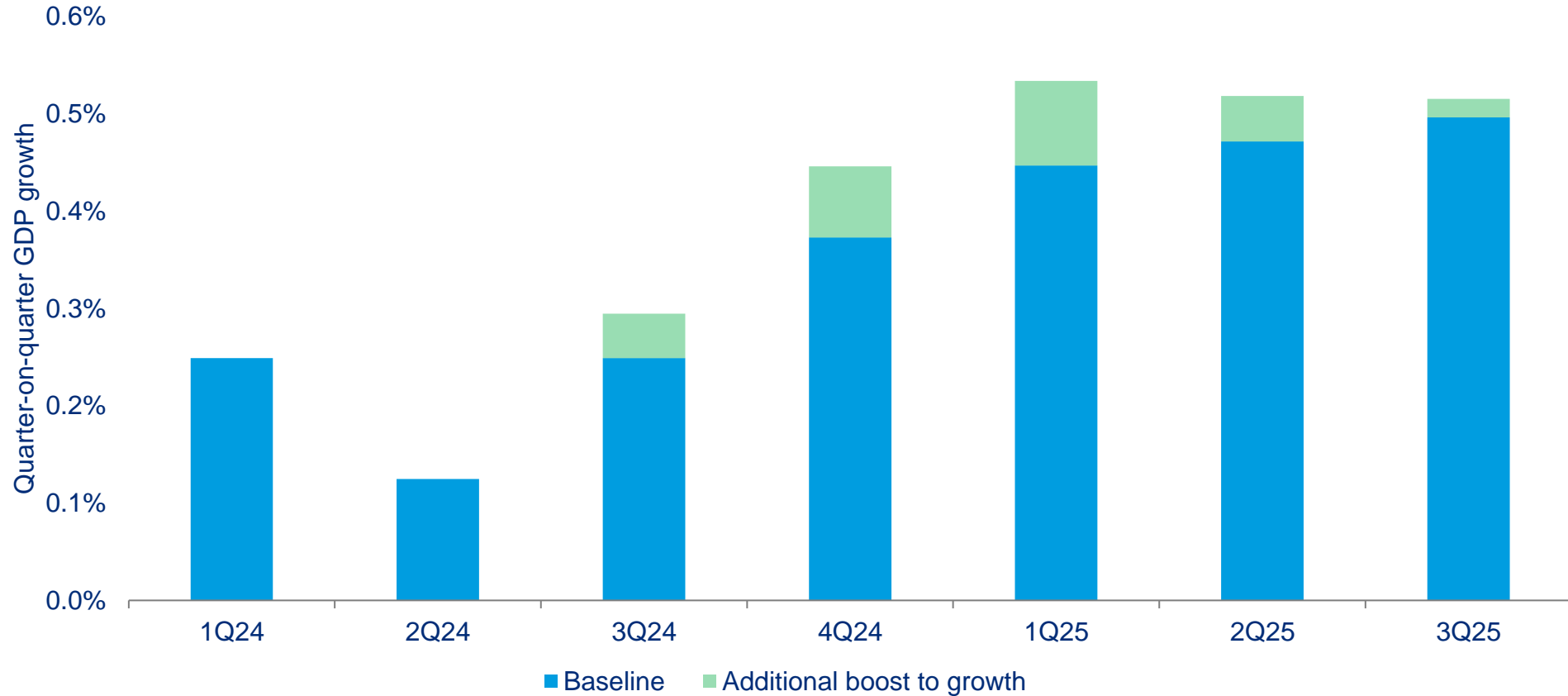
Bond markets expect rate cuts. DM cuts are coming ex-Japan



Source: Goldman Sachs. Data as of April 2, 2024.

Rate cuts & expectations of rate cuts boost growth

Boost to US economy from implied rate cuts



Source: Bloomberg. Data as of March 31, 2024. Bloomberg SHOK model. We have assumed 0.75% of cuts in 2024 as per the Federal Reserve median 2024 DOT. Timing of cuts is 0.25% per quarter beginning in Q2 2024. **For illustrative purposes only.**

Values Alignment

6

Mercer team and resources for values-aligned investing

ESG Investments Practice



Tamara Larsen
Partner

Values Aligned Investing



Brittany Stewart
Analyst

Sustainable Investments, Americas



Max Messervy
Principal
Head of Sustainable Investments, Americas



Song Huang
Senior Associate



Shaili Jhaveri
Analyst

DEI Private Markets Investing



Amy Ridge
Partner
Alternatives



Amanda Wirth
Senior Associate



Terrence Jones
Senior Associate



Robert Nelson
Senior Associate

Global Resources



Values-aligned specialists



Defined contribution specialists



Global strategic research



Operations and implementation



Investment manager research

Supported by the broader resources of Mercer and Marsh McLennan

We have been recognized for our ESG performance



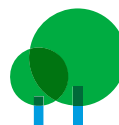
ESG has long been a part of our decision-making at Marsh McLennan

Our commitment to climate action

- Building on our CarbonNeutral certification we have set goals to:
 - **Reduce emissions 50%** by 2030
 - Achieve **net-zero emissions** by 2050
 - We signed a **commitment letter** with the Science Based Targets initiative and are working to **set a science-based emission reduction target** in-line with the latest climate science
- We are proud to provide carbon finance through our carbon offset portfolio

We embed sustainability in our operations to reduce our impacts

Our offices and operations provide opportunities to demonstrate our commitments to colleagues and guests¹



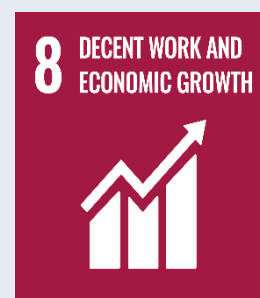
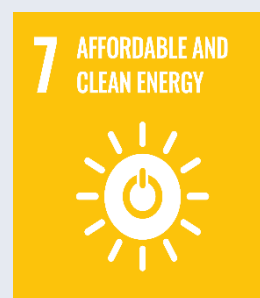
100% of our pantries are **plastic-free**



Over **3.6 million pounds** of **e-waste** recycled since 2013



Our offices use **energy efficient lighting and HVAC** and source **renewable electricity** where possible



¹ As of 12/31/2022.

EcoVadis sustainability rating. To receive a silver rating, a company must score between 45 and 59 out of 100 on EcoVadis' sustainability assessment. As of 07/07/2022 as reported by each of the 90,000+ participating firms to EcoVadis. Mercer did pay a fee to participate in this award. This award is not indicative of the adviser's future performance.

CarbonNeutral Company certification, achieved by calculating a carbon footprint and reducing it to zero through a combination of efficiency measures in-house and supporting external emission reduction projects. Mercer did not pay a fee to participate in this certification. This certification is not indicative of the adviser's future certification status.

It's all about the people: Our commitment to DEI

Our goals to create a culture of DEI and belonging

Our workplace

Our engagement with clients

The broader investment industry

The communities we serve

We are taking active steps to help ensure we have a workplace where every colleague can feel comfortable being their whole self, feels they belong, and is able to contribute their best work.

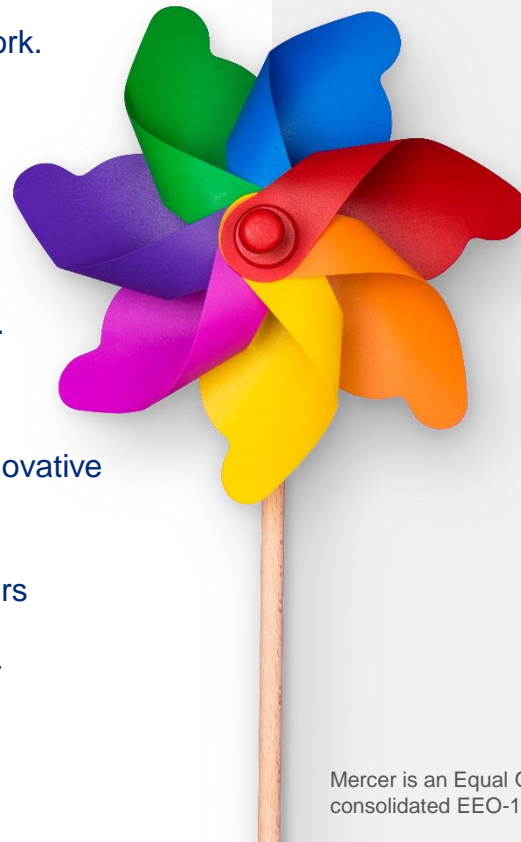
Our diversity commitment includes measurable goals

for listening, learning and being an ally. Senior leaders are accountable to progress our culture and the diversity of our workforce.

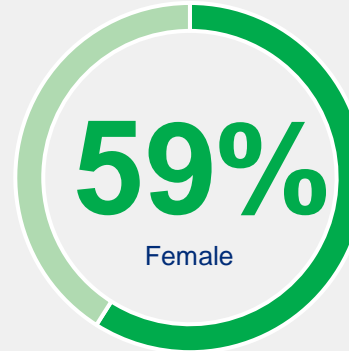
Inclusive partner network

Collaborating with clients and suppliers in innovative ways to further support business diversity:

- Supplier.io partnership provides a diverse businesses database to aid decision makers when selecting suppliers
- Committed \$100 million in diverse supplier spending by 2025



Mercer globally – 2022 Workforce composition



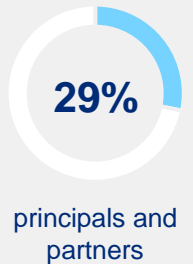
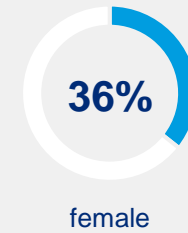
Professionals



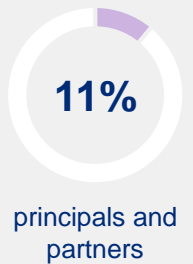
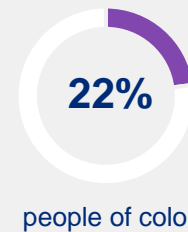
Principals and partners



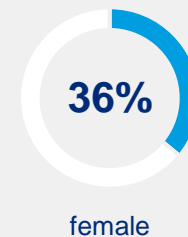
US Investments business



US ethnic and racial diversity



Marsh McLennan board of directors



Mercer's long history of industry engagement



Appendix

Valuations and yields

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Ending March 31, 2024

Valuations

MSCI USA	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Index Level	23686.9	21453.4	19163.7	19770.6
P/E Ratio (Trailing)	26.2	24.9	22.9	23.6
CAPE Ratio	32.9	29.8	27.3	28.8
Dividend Yield	1.4	1.4	1.6	1.5
P/B	4.8	4.6	4.1	4.3
P/CF	18.1	16.3	15.3	15.4
MSCI EAFE	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Index Level	8234.3	7784.0	7049.3	7351.5
P/E Ratio (Trailing)	15.7	14.7	14.4	15.4
CAPE Ratio	17.3	15.6	15.4	15.1
Dividend Yield	2.9	3.0	3.2	3.1
P/B	1.9	1.8	1.6	1.6
P/CF	10.1	9.4	9.3	8.7
MSCI EM	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Index Level	546.5	533.8	494.9	509.8
P/E Ratio (Trailing)	15.61	14.5	14.1	13.6
CAPE Ratio	12.18	11.9	10.9	11.3
Dividend Yield	2.83	2.9	3.1	3.3
P/B	1.71	1.6	1.6	1.6
P/CF	8.08	8.2	8.5	8.5

Source: Bloomberg, Refinitiv

Past performance is no guarantee of future results

Yields

Global Bonds	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Germany – 10Y	2.30	2.02	2.84	2.39
France – 10Y	2.81	2.56	3.40	2.93
UK – 10Y	3.93	3.54	4.44	4.39
Switzerland – 10Y	0.69	0.70	1.10	0.96
Italy – 10Y	3.68	3.70	4.78	4.07
Spain – 10Y	3.16	2.99	3.93	3.39
Japan – 10Y	0.73	0.61	0.77	0.40
Euro Corporate	3.66	3.56	4.52	4.44
Euro High Yield	7.72	7.35	8.43	8.29
EMD (\$)	7.23	7.43	9.03	8.36
EMD (LCL)	6.81	6.19	6.76	6.32
US Bonds	3/31/2024	12/31/2023	9/30/2023	6/30/2023
3-Month T-Bill	5.46	5.40	5.55	5.43
10Y Treasury	4.20	3.88	4.59	3.81
30Y Treasury	4.34	4.03	4.73	3.85
10Y TIPS	1.88	1.72	2.24	1.61
30Y TIPS	2.07	1.90	2.33	1.62
US Aggregate	4.85	4.53	5.39	4.81
US Treasury	4.43	4.08	4.85	4.37
US Corporate	5.30	5.06	6.04	5.48
US Corporate High Yield	7.66	7.59	8.88	8.50

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Expected return, volatility, and correlation are hypothetical projections and are derived using Mercer's forward-looking Capital Market Assumptions methodology as of October 2022. Actual return, volatility, and correlation may be lower or higher than the data quoted. The expectations for the modelled portfolio are a compilation of return, volatility, and correlation expectations of the underlying asset classes.

Portfolio expectations are forward looking and reflective of Mercer's Capital Market Assumptions, as defined by asset class and incorporating return, standard deviation, and correlations. Our process for setting asset class expected returns begins with developing an estimate of the long-term normal level of economic growth and inflation. From these two key assumptions, we develop an estimate for corporate earnings growth and the natural level of interest rates. From these values, we can then determine the expected long-term return of the core asset classes, equity and government bonds. We combine current valuations with our expectations for long term normal valuations and incorporate a reversion to normal valuations over a period of up to five years. Volatility and correlation assumptions are based more directly on historical experience except in cases in which the market environment has clearly changed. Manager impact on performance is not incorporated into expectations. The views expressed are provided for discussion purposes and do not provide any assurance or guarantee of future returns.

Hypothetical performance results [and related statistics] do not represent the results of actual trading using client assets. Actual results may significantly differ from the hypothetical returns being presented. Investors may experience loss. The time periods shown represent a variety of economic and market conditions, including the unpredictability of such conditions and includes periods of market volatility. There are limitations with the data presented below as each client would have its own investment objectives, risk tolerance, goals and benchmarks for its portfolios. Performance results for individual client portfolios will vary due to possible inclusion of cash and cash equivalents, reinvestment of dividends, interest and other earnings including timing of investments, withdrawals among other reasons.

Actual returns would be reduced by advisory and other expenses as brokerage commissions, custodial costs and other expenses. Actual fees would vary depending on, among other things, the applicable fee schedule, portfolio size and/or investment management agreement. Further information regarding investment advisory fees are described in our Form ADV, Part 2A.

There are substantial risks associated with investments classified as alternative investments. Investors should have the ability, investing sophistication and experience to bear the risk associated with such investments.

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Important notices — continued

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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.