



Annual Meeting
Tuesday, March 22, 2022
12:30 PM – 2:00 PM

COS Visalia Campus, Sequoia Room 1 (space limited)
and Via Zoom Conference (details below)

Link: <https://cccconfer.zoom.us/j/91408739950?pwd=OG10aDI3TkZ2NWc1VDk5anFLdjVxZz09>

Or Telephone: Dial +1 669 900 6833 Meeting ID: 914 0873 9950 PASS: 1926

AGENDA

<u>Item</u>	<u>Presenter</u>
1. Welcome and Call to Order	Tom Giampietro
2. Action Items	
a. Board Meeting Minutes – February 3, 2022	Gerry Schneider
b. Investment Committee Recommendations	
i. Endowed Fund Spend Recommendation	Bob Ainley
ii. Operating Spend Percentage and Calculation	Bob Ainley
3. Treasurer's Report	Richard Nunes
a. Balance Sheet & Investment Summary	
4. Committee and Task Force Reports	
a. Local Heroes Fund	Tom Giampietro
b. Alumni Association	Gerry Schneider
c. Project Funding	
d. Property Acquisition Task Force	
5. Trustee Report	Ken Nunes
6. President Report	Brent Calvin
7. Foundation Director Report	Tim Foster
a. Upcoming Events	
b. Interact Communications Update	
8. Other Business	
a. Board Retreat	Tom Giampietro
b. Other	All
9. Adjourn	Tom Giampietro



Annual Meeting
Thursday, February 3, 2022
12:30 PM – 2:00 PM

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Meeting Minutes

Members Present: (In-person) Consuelo Romo, Gerry Schneider, Richard Nunes, Ken Nunes, Bob Ainley, Brent Calvin, Josh McDonnell (Via Zoom) Tom Giampietro, Alexis Silveira, Megan Dodd

Members Absent: Robert Aguilar

Others Present: Tim Foster, Nicole Tudor & John Dominguez from CDWL

1. Welcome & Call to Order

President Tom Giampietro welcomed everyone and called the meeting to order at 12:38pm.

2. Action Items

- a. **Board Meeting Minutes – September 28, 2021:** Mr. Giampietro requested a motion to approve the September 28, 2021 meeting minutes as presented. Ken moved to approve with a second from Mrs. Alexis Silveira. Motion carried unanimously.
- b. **Review and Acceptance of 2020-2021 Audit:** Mr. Tim Foster introduced John Dominguez from CDWL to review the audit. CDWL will work to review investments on a monthly basis rather than annually. Mr. Dominguez made note of the late, updated audit since the packet was originally sent to the board. CDWL correctly redistributed amounts that were in question compared to the first version of the packet that was shared with board members. Mr. Giampietro requested a motion to approve the audit as presented. Mr. Bob Ainley moved to approve with a second from Mr. Schneider. Motion passed unanimously.
- c. **New Member Approval Proposals:** Mr. Foster proposed new member Lionel Moreno and returning members Stephanie Amaral and Mariann Hedstrom for 2022 – 2024 board term. Mr. Gerry Schneider motioned to approve Lionel with a second from Mrs. Silveira. Motion passed unanimously. Mr. Ainley motioned to approve Stephanie Amaral with a second from Mr. Schneider. Motion passes unanimously. Mr. Ainley motioned to approve Mariann Hedstrom with a second from Mr. Richard Nunes. Motion passed unanimously.
- d. **Slate of Officers:** Mr. Schneider shared the Proposed Officers. Ms. Consuelo Romo motioned to approve with a second from Mr. Richard Nunes. Motion passed unanimously.
- e. **2022 Board Meeting Calendar:** Mr. Giampietro shared the proposed board schedule for 2022. Ms. Romo moved to approve with a second from Mr. Schneider. Motion passed unanimously.
- f. **Contract for Services – Chase Magnuson:** Mr. Foster shared the contract regarding engagement of real estate gifts consultant. This would assist the Foundation with acquiring property along with appropriate gift policy and

procedures to accept land as a donation. Mr. Foster will check with Cal State Universities that have retained for feedback. Mr. Richard Nunes moved to table the vote until the Property Acquisition task force gathers more information. Mr. Ainley seconds. Motion to table approved unanimously.

3. Treasurer's Report

- a. **Balance Sheet & Investment Summary:** Ken Nunes and Richard Nunes shared the discrepancy between the Balance Sheet and the LPL statement. This is likely due to unrealized gain and need of increase in meetings with the auditor.

4. Task Force Reports

- a. **FSU Visalia Campus Enrollment to Local Heroes:** Fresno State enrollment Committee has been repurposed to Local Heroes Committee. This committee supports education, medical, law enforcement and firefighting professionals. The Committee appointed Ms. Megan Dodd as Chair.

5. Trustee Report:

On behalf of the COS Board, Mr. Ken Nunes thanked Foundation board members for their service. Mr. Ken Nunes reported on spring Convocation, January annual board retreat, groundbreaking of the Visalia Educational Support Services building, Tulare Career and Educational Technical complex plans, and the Hanford Quad project.

6. President Report:

Mr. Brent Calvin shared enrollment updates and the increase in high school outreach for 2022-2023 school year. The Board is working on a bond measure for a University Center to the south of campus. President Calvin shared the expansion of the football amenities to host more attendees and community outreach on campus.

7. Foundation Director Report

Mr. Foster shared his report and brought attention to the upcoming events this spring. CSF Celebrations will happen in Hanford on March 30th, Tulare on April 7th and Visalia on April 26th. Scholarship Night will be on May 5th along with other award ceremonies the first week of May. Beauty and the Beast fundraisers for the Theatre department will happen prior to their May plays.

8. Other Business

- a. Board Retreat: Mr. Giampietro shared that the Board Retreat will be September 27th. Tom noted that a survey will be going out regarding a retreat away from Visalia for 2022.
- b. Other: None

9. Adjourn

Mr. Giampietro requests a motion to adjourn at 2:05pm. Mr. Schneider moves to approve. Mr. McDonnell. Unanimous approval.

Next board meeting: March 22nd at 12:30 in Sequoia 1 and on Zoom.



Investment Committee Report and Recommendations 3-22-2022

The committee members met with Thiesen Dueker Advisor, Ryan Purkiss on 2-7-2022, to review portfolio performance and discuss any need for spend policy changes.

Attendees: Robert Ainley, Richard Artis, Gary Artis, Tim Foster, Ryan Purkiss

Portfolio performance for 2021 was 10.28%(net of fees), 12.09% for the past three years, and 8.89% since inception in June 2018.

There was much discussion about the unique amount of market swings experienced, but still with a net positive effect on the portfolio's market value. There continues to be relatively quick "market corrections" but also followed by recoveries that improve the overall portfolio position. The portfolio performance has shown consistent returns over three and one-half years that is can consistently outperforms the current spending levels.

The was some committee discussion about possibly expanding the diversification of the portfolio to have a very small percentage (less than 5%) in very high-yield investments that also have higher risk. But at this time, no investment policy or investment strategy changes are being recommended.

There was a discussion about the previous methodology of calculating an operating spend dollar amount. It was agreed that a three-year average of the fiscal year-end unrestricted balance multiplied by the spend rate was more appropriate than the previous twelve-quarter methodology.

Recommendations

Endowed Fund Spend Rate Recommendation: The consistent 8.9%+ rate of return on the investment portfolio has warranted a recommendation to increase the spend rate on restricted fund balances from 4% to 5%, effective for the July 2023, fund transfers. The recommendation is intended to apply to all endowed funds, not just endowed scholarship funds.

Operating Spend Rate Recommendation: Staff reported that with the increased portfolio average balance valuation, the 3% spend should provide sufficient additional resources to absorb increased operating costs for the upcoming fiscal year. With a 3% spend being sustainable and no request from staff for additional operating resources, the committee recommends hold the operating spend rate at 3%.

Cash Activity Summary

	Since last statement 12/01 - 12/31/2021	4th Quarter 10/01 - 12/31/2021	Year to Date 01/01 - 12/31/2021
Securities Purchased	—	(\$1,200,652.61)	(\$5,708,679.22)
Securities Sold	\$592,482.47	\$1,553,291.18	\$4,793,764.16
Cash Inflows	—	\$100,000.00	\$550,000.00
Cash Outflows	—	—	(\$300,000.00)
Dividends	\$87,378.06	\$112,178.92	\$271,813.16
Interest	\$8.30	\$16.35	\$92.06
Capital Gains	\$409,764.45	\$409,764.45	\$409,764.45
Other Distributions	—	—	—
Reinvestments	(\$467,427.85)	(\$487,481.76)	(\$557,018.39)
Fees / Expenses ⁸	—	(\$8,777.99)	(\$35,056.66)

Rate of Return Summary

Net Invested Since 06/29/2018: \$15,307,900.68

Net Change Since 06/29/2018: \$3,694,794.17

	Inception Date	YTD	3 Year Annualized	Inception- to-Date	Inception- to-Date Annualized
Your Account	06/29/2018	10.28%	12.09%	34.80%	8.89%
Consumer Price Index		6.92%	3.32%	11.32%	3.10%
Bloomberg Barclays U.S. Aggregate Bond Index		(1.54%)	4.79%	16.98%	4.57%
Bloomberg Barclays Municipal Bond Index		1.52%	4.72%	16.62%	4.48%
S&P 500 Index		28.71%	26.06%	86.64%	19.47%
Russell 2000 Index		14.82%	20.02%	42.90%	10.71%
Russell 3000 Index		25.66%	25.78%	82.71%	18.75%
MSCI EAFE Index		11.26%	13.54%	29.75%	7.71%
MSCI Emerging Markets Index		(2.22%)	11.32%	26.55%	6.95%

Rate of Return data is net of Advisory Fees. Deduction of other fees and charges is not reflected in the figures above. Past performance is no guarantee of future results. ". . ." is indicative that the return is not available due to insufficient data.

⁸ Fees and expenses include account, custodial and advisory fees assessed during the statement period.

COS FOUNDATION SPEND ANALYSIS

Fiscal Year-ends 2019, 2020, 2021

FYE	Market Value	Percent Unrestricted	Value Unrestricted
2019	\$10,557,698	78%	\$ 8,192,774
2020	\$10,682,678	69%	\$ 7,339,000
2021	\$14,469,808	73%	\$ 10,562,960
Averaged Unrestricted Market Value			\$ 8,698,244
Spend Policy Percentage			3%
2022-2023 Operating Spend			\$ 260,947

2021-2022 Operating Spend - \$235,750

COS Foundation
Balance Sheet
As of February 28, 2022

	Feb 28, 22
ASSETS	
Current Assets	
Checking/Savings	
1000 · Foundation Checking	40,313.52
1001 · Scholarship Checking	4,174.80
Total Checking/Savings	44,488.32
Total Current Assets	44,488.32
Other Assets	
1804 · LPL Financial	17,347,146.15
Total Other Assets	17,347,146.15
TOTAL ASSETS	17,391,634.47
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2010 · Endowed Scholarships	84,132.64
2011 · Endowment Funds - Other	72,044.87
2100 · Outside Scholarships	3,729.95
2200 · Inside Scholarships	327,686.71
Total Other Current Liabilities	487,594.17
Total Current Liabilities	487,594.17
Total Liabilities	487,594.17
Equity	
300 · Interest Allocation Adjustment	377,135.28
30000 · Opening Balance Equity	513,889.92
3001 · Closed Liability Accounts	1,205,616.49
3010 · Restricted Fund Balance	3,725,851.79
3011 · Endowment Restricted - Other	
3011.2 · Athletics Endowment	47,602.43
3011.3 · Winkler Local Heroes Endow Fund	2,000,000.00
3011.4 · Winkler Technology Endow Fund	1,500,000.00
Total 3011 · Endowment Restricted - Other	3,547,602.43
3015 · Unrestricted Fund Balance	3,534,172.59
3021 · Designated Funds	2,184,977.80

8:45 AM

03/16/22

Accrual Basis

COS Foundation
Balance Sheet
As of February 28, 2022

	<u>Feb 28, 22</u>
3150 · Temp. Restricted Net Assets	-3,109.90
3200 · Unrestricted Net Assets	1,789,354.04
3500 · Unrealized Gain/Loss	-55,254.73
3999 · Designated Funds - Current	-294,319.70
Net Income	<u>378,124.29</u>
Total Equity	<u>16,904,040.30</u>
TOTAL LIABILITIES & EQUITY	<u><u>17,391,634.47</u></u>

COLLEGE OF THE SEQUOIAS
FOUNDATION
A NON-PROFIT ORGANIZATION
915 S MOONEY BLVD
VISALIA CA 93277

COS Foundation

Account Number: 1983-2955
Activity Statement

Values as of February 28, 2022



Investment Objective
Growth with Income

Your Financial Consultant: Thiesen/Dueker/Purkiss
559-625-4005
3000 W Main Street
Visalia93291-5729, CA 93277-9514

Value on January 1, 2022
\$19,002,694.78

Value as of last statement 01/31/2022
\$18,423,668.21

Value on February 28, 2022
\$18,285,345.43

Account Summary

	Quarter to Date 01/01 - 02/28/2022	Year to Date 01/01 - 02/28/2022
Starting Value	\$19,002,694.78	\$19,002,694.78
Total Change in Value of Assets	(\$717,349.35)	(\$717,349.35)
<i>Inflows</i>	\$350,000.00	\$350,000.00
<i>Outflows</i>	—	—
<i>Dividends</i>	\$22,228.74	\$22,228.74
<i>Interest</i>	\$16.33	\$16.33
<i>Capital Gains</i>	—	—
<i>Other Distributions</i>	—	—
<i>Fees / Expenses</i>	(\$12,772.53)	(\$12,772.53)
<i>Market Fluctuations¹</i>	(\$1,076,821.89)	(\$1,076,821.89)
Total Ending Value (February 28, 2022)	\$18,285,345.43	\$18,285,345.43

¹ Market Fluctuations reflects the impact of changes in the value of securities held in your LPL Financial account, as well as the impact of any transfers of securities into or out of your account during the statement period.



Foundation Report – March 22, 2022

- **Planned Giving While Still Here with Us**
 - COS Alumn and retired pharmacist from Encinitas, Mr. Harold DeMasters and his wife Babala, also a retired pharmacist, have been working on some estate planning and chose to provide a gift to COS now, rather than later.
 - Late in 2021 they gifted COS some shares of stock that were worth \$30,000 at the time of their transfer to our portfolio.
 - In late-January he gifted a few other accounts of stocks. That transfer just completed last week and the value was \$83,000 at the time of their transfer.
 - In total the COS Foundation now has \$113,377.87 permanently endowed to fund five \$1,000 memorial scholarships in perpetuity.
 - I have met with Harold and Babala and they are quite excited about being able to take care of these arrangements now and begin seeing the benefits to students.
- **COS Upcoming Event Dates**
 - CSF Hanford, March 30th, 12:00PM-1:00PM, Civic Auditorium
 - CSF Tulare, April 7th, 12:00PM-1:00PM, Tulare Agri-Center Social Hall
 - CSF Visalia, April 26th, 12:00PM-1:30PM, Visalia Convention Center
 - COS Athletics President's Cup, April 29th, 11:00AM-5:00PM, Visalia Country Club
 - Athletics Equine Team Dinner, April 30th, 5:00PM-10:00PM, TCC Pavilion
 - COS Scholarship Night, May 5th, 6:00PM-8:00PM, COS Porter Field House
 - Beauty & the Beast VIP Pub, May 6th, 5:00PM-6:30PM, Visalia Campus The Grind
 - Beauty & the Beast Tea Party, May 7th, 5:00PM-6:30PM, Visalia Porter Field House