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Santa Ana College • Santiago Canyon College

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT FOUNDATION BOARD OF DIRECTORS REGULAR MEETING

Tuesday, March 3, 2020 - 8am RSCCD District Office - Board Room #107

DRAFT - MINUTES

I. CALL TO ORDER

Mr. Litfin called the meeting to order at 8:08am.

II. ROLL CALL

Members in attendance: Ms. Claudia Alvarez, Dr. John Hernandez, Mr. Todd O. Litfin,

Mr. Eddie Marquez, Mr. Marvin Martinez, and Mr. Roy Shahbazian

Staff in attendance: Mr. Peter Hardash & Mr. Enrique Perez

Not Present: Ms. Kristin Crellin, Mr. Richard Porras, & Dr. Linda Rose

III. APPROVAL OF THE AGENDA

A. Amendments and Corrections (if any)

There were no additions or corrections to the agenda.

B. Approval of Agenda

It was moved by Ms. Alvarez, seconded by Mr. Martinez to approve the agenda. The motion was carried with the following vote: Ms. Alvarez, Mr. Litfin, Mr. Marquez, and Mr. Martinez.

IV. APPROVAL OF MINUTES – December 3, 2019 Regular Board Meeting

A. Corrections (if any)

There were no additions or corrections to the minutes.

B. Approval of the Minutes

It was moved by Mr. Martinez, seconded by Mr. Marquez to approve the December 3, 2019 regular board minutes. The motion was carried with the following vote: Mr. Litfin, Mr. Marquez, and Mr. Martinez. A vote of abstention from Ms. Alvarez.

V. PUBLIC COMMENTS

No public comments were made.

VI. EXECUTIVE DIRECTOR'S REPORT

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

Mr. Perez reported that fall 2019 was the final semester, project is complete; in process of collecting data for a final draft report that COE is reviewing. 16 coaches were scheduled to be on ground; fall 2019 had 14 coaches, expected payment summer 2020 of approximately

Ex-Officio Voting Members: Marvin Martinez

Ex-Officio Non Voting Members: Dr. John Hernandez • Dr. Linda Rose • Roy Shahbazian

Staff: Peter Hardash • Enrique Perez

\$400,000, 10% will go to Foundation, coaches are in contact with COE, a final report projected to be ready for June's board meeting.

VII. COLLEGE PRESIDENT'S REPORT

SCC: Dr. Hernandez reported on the SCC Foundations mixer where SCC/SAC/RSCCD foundations met, the February 20 Anthony B. Heinsbergen collection viewing, the alumni network event at Rib Traders restaurant, working with a consultant on fundraising efforts, the 20th annual golf tournament with benefits to the food pantry, the 20yr celebration as an accredited college, foundation to name 2 scholarships on behalf of a coach and also former librarian that recently passed away, the men's basketball team and women's soccer team recognized by Orange City Council for championships; women's soccer captain named National Player of the Year, the March 13 annual Community Science night where 3,000 are expected to attend, hosting a robotics competition and the scheduled 20th Anniversary family style picnic and concert at SCC May 2nd 4-9pm.

SAC: *Dr. Rose was not present to report.*

VIII. APPROVAL OF TREASURER'S REPORTS

A. Treasurer's Reports – November and December 2019 and January 2020 Mr. Hardash reported that reports are now simplified with restricted and unrestricted columns.

It was moved by Ms. Alvarez, seconded by Mr. Marquez to approve the Treasurer's Reports. The motion was carried with the following vote: Ms. Alvarez, Mr. Litfin, Mr. Marquez, and Mr. Martinez.

IX. ITEMS FOR DISCUSSION AND/OR ACTION

A. 2018-2019 AUDIT REPORT RESULTS-Accept the 2018-2019 Rancho Santiago Community College District Foundation Financial Statements and Independent Auditors' Report for the Fiscal Year Ended June 30, 2019 (action to accept only).

Mr. Hardash reported on EideBailly is the new name to previously Vavrinek, Trine, Day & Co., LLP (VTD) auditors, this is a clean audit and approved at the December 9, 2019 Board of Trustees meeting.

It was moved by Mr. Martinez, seconded by Ms. Alvarez to accept the audit. The motion was carried with the following vote: Ms. Alvarez, Mr. Litfin, Mr. Marquez, and Mr. Martinez.

X. BOARD MEMBER COMMENTS

Mr. Martinez provided remarks about today being Election Day and two measures impacting our district directly: Proposition 13 and Measure L.

Mr. Shahbazian arrived at this time.

Mr. Hardash provided clarifying remarks on Prop 13 and Measure L language related to disbursement funds to community colleges and guidelines to be submitted to qualify.

There was a question on the Forensics Program at SCC. Mr. Perez reported that SCC will provide a business plan or executive summary with a 2 year budget for the Forensics program at the next board meeting.

RSCCDF Regular Meeting Minutes – March 3, 2	2020
Page 3 of 3	

XI. FUTURE MEETINGS

Tuesday, June 2, 2020 is the next annual and regular board of directors meeting.

XII. OTHER

No other report was provided.

XIII. ADJOURNMENT

Mr. Litfin adjourned the meeting at 8:27am.

Approved:		
11 .	 	

RSCCD FORENSICS TEAM

2 YEAR BUDGET PROPOSAL



May 27, 2020

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

Limited Travel Budget Proposal

2020-2021 Forensics Budget Proposal

12-week fall course and 16-week intersession/spring course

This budget accounts for travel restrictions through the entire 2020-2021 seasion. This budget assumes we can add a second course giving full-time faculty more appropriate compensation as well as adding a third assistant coach. It also can serve 40+ students. This budget also allows for one student and one coach to enter into Interstate Oratory, the nation's oldest forensics competition. Every year two students qualify in the persuasion event to represent each state at this prestigious competition. California qualifies one representative from Northern California and one from Southern California. The Southern California representative is the student who wins first place in persuasion at our Spring Championships.

# of students	Tournament	Travel	Hotel	Tourn Fees	Hired Judges	Per Diem	Total
	Coaches conference	\$0.00	\$0.00	\$100.00		\$0.00	\$100.00
10	Warm Up - Fall	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20	Pasadena - Fall	\$0.00	\$0.00	\$500.00	\$300.00	\$0.00	\$800.00
40	Fall Champs - Moorpark - Fall	\$0.00	\$0.00	\$700.00	\$400.00	\$0.00	\$1,100.00
15	Irvine Valley - Intersession	\$0.00	\$0.00	\$350.00	\$300.00	\$0.00	\$650.00
4	Hell Froze Over		\$0.00	\$300.00	\$150.00	\$0.00	\$450.00
40	Spring Champs - CSULB	\$0.00	\$0.00	\$700.00	\$600.00	\$0.00	\$1,300.00
	State Championsh	ips					
20	Northern California	\$0.00	\$0.00	\$575.00	\$750.00	\$0.00	\$1,325.00
20	Southern California	\$0.00	\$0.00	\$575.00	\$750.00	\$0.00	\$1,325.00
14	Nationals	\$0.00	\$0.00	\$2,700.00	\$500.00	\$0.00	\$3,200.00
20	Cool-Off	\$0.00	\$0.00	\$400.00	\$300.00	\$0.00	\$700.00
1	Interstate Oratory	\$0.00	\$0.00	\$200.00	\$0.00	\$0.00	\$200.00
	Showcase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00
3	Assistant Coaches	3500/semester					\$21,000
	Materials						\$2,000
	State in NoCal					TOTAL	\$33,325
	State in SoCal						\$33,325

2021-2022 Forensics Budget Proposal

12-week fall course and 16-week intersession/spring course

This dream budget puts us in competition with colleges such as Mt. San Antonio, Orange Coast, and Moorpark. These three colleges are repeatedly the top three Southern California teams at nationals. This budget assumes we can add a second course giving full-time faculty more appropriate compensation as well as adding a third assistant coach. It also can serve 40+ students. This budget allows students to travel out of state once during the season before attending the national's tournament. This budget offers students a more reasonable per diem amount at our three distance tournaments equaling \$20/day. This budget also allows for one student and one coach to travel to Interstate Oratory, the nation's oldest forensics competition. Every year two students qualify in the persuasion event to represent each state at this prestigious competition. California qualifies one representative from Northern California and one from Southern California. The Southern California representative is the student who wins first place in persuasion at our Spring Championships.

# of students	Tournament	Travel	Hotel	Tourn Fees	Hired Judges	Per Diem	Total
	Coaches conference	\$100	\$600			\$400	\$1,100
10	Warm Up - Fall	\$0	\$0	\$0	\$0	\$500	\$500
20	Pasadena - Fall	\$0	\$1,050	\$500	\$300	\$2,000	\$3,850
40	Fall Champs - Moorpark - Fall	\$0	\$4,200	\$700	\$400	\$4,000	\$9,300
15	Irvine Valley - Intersession	\$0	\$0	\$350	\$300	\$500	\$1,150
4	Hell Froze Over	\$2,500	\$1,150	\$300	\$150	\$450	\$4,550
40	Spring Champs - CSULB	\$0	\$4,200	\$700	\$600	\$4,800	\$10,300
20	State Championshi	ips					
20	Northern California	\$3,300	\$6,000	\$575	\$750	\$2,000	\$12,625
	Southern California	\$0	\$6,000	\$575	\$750	\$2,000	\$9,325
14	Nationals	\$9,200	\$10,000	\$2,700	\$500	\$4,500	\$26,900
20	Cool-Off	\$0	\$0	\$400	\$300	\$600	\$1,300
1	Interstate Oratory	\$1,000	\$1,200	\$200	\$0	\$200	\$2,600
	Showcase						\$500
3	Assistant Coaches	\$3,500					\$21,000
	Materials						\$2,000
	State in NoCal					TOTAL	\$97,675
	State in SoCal						\$94,375

1Year Online Tournaments Budget Proposal

2020-2021 Forensics Budget Proposal

12-week fall course and 16-week intersession/spring course

This budget takes into account the lack of travel through November of 2020. This budget puts us in competition with colleges such as Mt. San Antonio, Orange Coast, and Moorpark. These three colleges are repeatedly the top three Southern California teams at nationals. This budget assumes we can add a second course giving full-time faculty more appropriate compensation as well as adding a third assistant coach. It also can serve 40+ students. This budget allows students to travel out of state once the social distancing restrictions have been lifted. This budget offers students a more reasonable per diem amount at our three distance tournaments equaling roughly \$60/day. This budget also allows for one student and one coach to travel to Interstate Oratory, the nation's oldest forensics competition. Every year two students qualify in the persuasion event to represent each state at this prestigious competition. California qualifies one representative from Northern California and one from Southern California. The Southern California representative is the student who wins first place in persuasion at our Spring Championships.

# of students	Tournament	Travel	Hotel	Tourn Fees	Hired Judges	Per Diem	Total
	Coaches conference	\$0	\$0	\$100	\$0	\$0	\$100
10	Warm Up - Fall	\$0	\$0	\$0	\$0	\$0	\$0
20	Pasadena - Fall	\$0	\$0	\$500	\$300	\$0	\$800
40	Fall Champs - Moorpark - Fall	\$0	\$0	\$700	\$400	\$4,000	\$5,100
15	Irvine Valley - Intersession	\$0	\$0	\$350	\$300	\$1,500	\$2,150
4	Hell Froze Over	\$2,500	\$1,150	\$300	\$150	\$450	\$4,550
40	Spring Champs - CSULB	\$0	\$4,200	\$700	\$600	\$4,800	\$10,300
	State Championshi	ips					
20	Northern California	\$3,300	\$6,000	\$575	\$750	\$2,000	\$12,625
20	Southern California	\$0	\$6,000	\$575	\$750	\$2,000	\$9,325
14	Nationals	\$9,200	\$10,000	\$2,700	\$500	\$4,500	\$26,900
20	Cool-Off	\$0	\$0	\$400	\$300	\$600	\$1,300
1	Interstate Oratory	\$1,000	\$1,200	\$200	\$0	\$200	\$2,600
	Showcase	\$0	\$0	\$0	\$0	\$0	\$500
3	Assistant Coaches	3500/semester					\$21,000
	Materials						\$2,000
	State in NoCal					TOTAL	\$89,925
	State in SoCal						\$86,625

2021-2022 Forensics Budget Proposal

12-week fall course and 16-week intersession/spring course

This dream budget puts us in competition with colleges such as Mt. San Antonio, Orange Coast, and Moorpark. These three colleges are repeatedly the top three Southern California teams at nationals. This budget assumes we can add a second course giving full-time faculty more appropriate compensation as well as adding a third assistant coach. It also can serve 40+ students. This budget allows students to travel out of state once during the season before attending the national's tournament. This budget offers students a more reasonable per diem amount at our three distance tournaments equaling \$20/day. This budget also allows for one student and one coach to travel to Interstate Oratory, the nation's oldest forensics competition. Every year two students qualify in the persuasion event to represent each state at this prestigious competition. California qualifies one representative from Northern California and one from Southern California. The Southern California representative is the student who wins first place in persuasion at our Spring Championships.

# of students	Tournament	Travel	Hotel	Tourn Fees	Hired Judges	Per Diem	Total
	Coaches conference	\$100	\$600			\$400	\$1,100
10	Warm Up - Fall	\$0	\$0	\$0	\$0	\$500	\$500
20	Pasadena - Fall	\$0	\$1,050	\$500	\$300	\$2,000	\$3,850
40	Fall Champs - Moorpark - Fall	\$0	\$4,200	\$700	\$400	\$4,000	\$9,300
15	Irvine Valley - Intersession	\$0	\$0	\$350	\$300	\$500	\$1,150
4	Hell Froze Over	\$2,500	\$1,150	\$300	\$150	\$450	\$4,550
40	Spring Champs - CSULB	\$0	\$4,200	\$700	\$600	\$4,800	\$10,300
20	State Championshi	ips					
20	Northern California	\$3,300	\$6,000	\$575	\$750	\$2,000	\$12,625
	Southern California	\$0	\$6,000	\$575	\$750	\$2,000	\$9,325
14	Nationals	\$9,200	\$10,000	\$2,700	\$500	\$4,500	\$26,900
20	Cool-Off	\$0	\$0	\$400	\$300	\$600	\$1,300
1	Interstate Oratory	\$1,000	\$1,200	\$200	\$0	\$200	\$2,600
	Showcase						\$500
3	Assistant Coaches	\$3,500					\$21,000
	Materials						\$2,000
	State in NoCal					TOTAL	\$97,675
	State in SoCal						\$94,375

Fiscal Year: 2020

District Foundation Income Statement Year to Date Ending 02/29/2020

	Unrestricted Fund Fund 91, 92		Temporarily Restricted Fund Fund 97		Total All Funds	
REVENUES						
Contributions, Gifts, Donations	\$	2,500.00	\$	-	\$	2,500.00
Interest on Banks		2,436.84		-		2,436.84
Total Revenues	\$	4,936.84	\$		\$	4,936.84
EXPENDITURES						
Sponsorships	\$	11,300.00	\$	-	\$	11,300.00
Legal		6,928.50		-		6,928.50
Audit Fees		6,100.00		-		6,100.00
Total Expenditures	\$	24,328.50	\$	<u> </u>	\$	24,328.50
Revenues Over (Under) Expenditure	\$	(19,391.66)	\$	-	\$	(19,391.66)
Beginning Net Asset Balance	\$	500,595.07	\$	238,514.75	\$	739,109.82
Ending Net Asset Balance	\$	481,203.41	\$	238,514.75	\$	719,718.16

SUMMARY OF ACTIVITIES:

UNRESTRICTED REVENUES

Contributions, Gifts, Donations

The Foundation received \$2,500 from Farmers and Merchants Bank on 12/17/19. This unrestricted contribution was recorded in the Unrestricted Fund.

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$2,436.84 from July 1, 2019 through February 29, 2020.

<u>DISBURSEMENTS</u>	Fund 91, 92		Fund 97
OCBC Orange Cty Bus Council	\$	2,000.00	\$ -
Santa Ana Chamber of Commerce		8,000.00	
AlvaradoSmith		6,928.50	
SALEF 24th Anniversary Awards & Scholarship Celebration		250.00	
Hispanic100 Foundation		1,050.00	
Eide Bailly LLP		6,100.00	
Total Disbursements:	\$	24,328.50	\$ -

Rancho Santiago Community College District

Fiscal Year: 2020

District Foundation Balance Sheet Year to Date Ending 02/29/2020

	Unrestricted Fund Temporarily Restricted Fund Fund 91, 92 Fund 97		Total All Funds		
ASSETS					
Cash and Equivalents	\$	481,203.41	\$ 238,514.75	\$	719,718.16
Total Assets	\$	481,203.41	\$ 238,514.75	\$	719,718.16
LIABILITIES					
Accounts Payable	\$	-	\$ -	\$	-
Total Liabilities	\$	-	\$ -	\$	-
NET ASSETS	\$	481,203.41	\$ 238,514.75	\$	719,718.16
Total Liabilities and Net Assets	\$	481,203.41	\$ 238,514.75	\$	719,718.16

District Foundation Income Statement Year to Date Ending 03/31/2020

	Unrestricted Fund Fund 91, 92		Tempora	rily Restricted Fund Fund 97	Total All Funds	
REVENUES				-		
Contributions, Gifts, Donations	\$	2,500.00	\$	-	\$	2,500.00
Interest on Banks		2,733.64		-		2,733.64
Total Revenues	\$	5,233.64	\$	-	\$	5,233.64
EXPENDITURES						
Scholarship & Grants	\$	30,000.00	\$	-	\$	30,000.00
Sponsorships		13,250.00		-		13,250.00
Legal		7,364.00		-		7,364.00
Audit Fees		6,100.00		-		6,100.00
Lobby Expense for Bond		4,500.00		-		4,500.00
Food		108.92		-		108.92
Supplies		100.69		-		100.69
Total Expenditures	\$	61,423.61	\$	-	\$	61,423.61
Revenues Over (Under) Expenditure	\$	(56,189.97)	\$	-	\$	(56,189.97)
Beginning Net Asset Balance	\$	500,595.07	\$	238,514.75	\$	739,109.82
Ending Net Asset Balance	\$	444,405.10	\$	238,514.75	\$	682,919.85

SUMMARY OF ACTIVITIES:

UNRESTRICTED REVENUES

Contributions, Gifts, Donations

The Foundation received \$2,500 from Farmers and Merchants Bank on 12/17/19. This unrestricted contribution was recorded in the Unrestricted Fund.

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$2,733.64 from July 1, 2019 through March 31, 2020.

<u>DISBURSEMENTS</u>	Fu	nd 91, 92	Fund 97	
OCBC Orange Cty Bus Council	\$	2,000.00	\$ -	_
Santa Ana Chamber of Commerce		9,200.00		
AlvaradoSmith		7,364.00		
SALEF 24th Anniversary Awards & Scholarship Celebration		250.00		
Hispanic100 Foundation		1,050.00		
Eide Bailly LLP		6,100.00		
Santiago Canyon College		30,000.00		
Campaign for Our Colleges		4,500.00		
Orange Chamber of Commerce		750.00		
Food		108.92		
Supplies		100.69		
Total Disbursements:	\$	61,423.61	\$ -	_

Rancho Santiago Community College District

Fiscal Year: 2020

District Foundation Balance Sheet Year to Date Ending 03/31/2020

	Unrestricted Fund Temporarily Restricted Fund Fund 91, 92 Fund 97		Total All Funds		
ASSETS			 		
Cash and Equivalents	\$	444,405.10	\$ 238,514.75	\$	682,919.85
Total Assets	\$	444,405.10	\$ 238,514.75	\$	682,919.85
LIABILITIES					
Accounts Payable	\$	-	\$ -	\$	-
Total Liabilities	\$	-	\$ -	\$	-
NET ASSETS	\$	444,405.10	\$ 238,514.75	\$	682,919.85
Total Liabilities and Net Assets	\$	444,405.10	\$ 238,514.75	\$	682,919.85

District Foundation Income Statement Year to Date Ending 04/30/2020

	Unrestricted Fund Fund 91, 92		Temporarily Restricted Fund Fund 97		Total All Funds	
REVENUES				-		
Contributions, Gifts, Donations	\$	2,500.00	\$	-	\$	2,500.00
Interest on Banks		3,014.53		-		3,014.53
Total Revenues	\$	5,514.53	\$	<u> </u>	\$	5,514.53
EXPENDITURES						
Scholarship & Grants	\$	30,000.00	\$	-	\$	30,000.00
Sponsorships		13,250.00		-		13,250.00
Legal		7,364.00		-		7,364.00
Audit Fees		6,100.00		-		6,100.00
Lobby Expense for Bond		4,500.00		-		4,500.00
Food		108.92		-		108.92
Supplies		100.69		-		100.69
Total Expenditures	\$	61,423.61	\$	-	\$	61,423.61
Revenues Over (Under) Expenditure	\$	(55,909.08)	\$	-	\$	(55,909.08)
Beginning Net Asset Balance	\$	500,595.07	\$	238,514.75	\$	739,109.82
Ending Net Asset Balance	\$	444,685.99	\$	238,514.75	\$	683,200.74

SUMMARY OF ACTIVITIES:

UNRESTRICTED REVENUES

Contributions, Gifts, Donations

The Foundation received \$2,500 from Farmers and Merchants Bank on 12/17/19. This unrestricted contribution was recorded in the Unrestricted Fund.

Interest Income

The Foundation has one bank account with Farmers & Merchants. Cash in banks has generated \$3,014.53 from July 1, 2019 through April 30, 2020.

<u>DISBURSEMENTS</u>	Fu	Fund 91, 92		Fund 97		
OCBC Orange Cty Bus Council	\$	2,000.00	\$	-		
Santa Ana Chamber of Commerce		9,200.00				
AlvaradoSmith		7,364.00				
SALEF 24th Anniversary Awards & Scholarship Celebration		250.00				
Hispanic100 Foundation		1,050.00				
Eide Bailly LLP		6,100.00				
Santiago Canyon College		30,000.00				
Campaign for Our Colleges		4,500.00				
Orange Chamber of Commerce		750.00				
Food		108.92				
Supplies		100.69				
Total Disbursements:	\$	61,423.61	\$	-		

Rancho Santiago Community College District

Fiscal Year: 2020

District Foundation Balance Sheet Year to Date Ending 04/30/2020

	Unrestricted Fund Fund 91, 92		Temporarily Restricted Fund Fund 97		Total All Funds	
ASSETS				_		
Cash and Equivalents	\$	444,685.99	\$	238,514.75	\$	683,200.74
Total Assets	\$	444,685.99	\$	238,514.75	\$	683,200.74
LIABILITIES						
Accounts Payable	\$	-	\$	-	\$	-
Total Liabilities	\$	-	\$	-	\$	-
NET ASSETS	\$	444,685.99	\$	238,514.75	\$	683,200.74
Total Liabilities and Net Assets	\$	444,685.99	\$	238,514.75	\$	683,200.74



Invoice Number 12/09/19

Description DONATION

118771

Amount 2,500.00

Farmers & Merchants

Amount Due: 2,500.00

W/H Amount: 0.00

Net Amount: 2,500.00

PLEASE DETACH BEFORE CASHING

Farmers & Merchants Bank of Long Beach

302 Pine Avenue, Long Beach, CA 90802

90-119 1222

118771

^1TE 12/10/2019

EXPENSE CHECK

ACCOUNT NUMBER

118771

TWO THOUSAND FIVE HUNDRED and 00/100**

AMOUNT

\$2,500.00

PAY TO THE ORDER OF Rancho Santiago Community College District Foundation 2323 N. Broadway Santa Ana, CA 92706

Murantis

AUTHORIZED SIGNATURE

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

"OllB771" #12220119B# Ol 70005 7"



December 9, 2019

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

Dear Enrique,

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

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

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

Sincerely,

Vaniel K. Walker W. Henry Wolder Daniel K. Walker Chairman of the Board & CEO

W. Henry Walker President

John W.H. Hinrichs Chief Financial Officer

Phil Bond Chief Credit Officer

Melissa Lanfre Chief Operating Officer

Kevin M. Tiber Investment Officer