

## **PASCO-HERNANDO STATE COLLEGE FOUNDATION, INC.**

### **Finance Committee**

**Thursday, May 22, 2025**

**3:00 p.m.**

**West Campus Room B-109**

**Or**

Join Zoom Meeting

<https://phsc.zoom.us/j/85390585896>

Meeting ID: 853 9058 5896

### **AGENDA**

**I. Call to Order, Quorum (Three members must be physically present to constitute a quorum) – Skip Miller, Chair**

#### **II. Approvals**

- 1. Minutes, Finance Committee Meeting, February 20, 2025**
- 2. Warrant Registers for February and March 2025**

**III. First Quarter 2025 Management Account Reports – Skip Miller**

**IV. Investment Consultant – Mitchell Brennan**

- 1. 2025 First Quarter Report**

**V. Old Business**

- 1.**

**VI. New Business**

- 1. Updated Investment Policy Statement Approval**
- 2. Unused Projects Report**
- 3. Tennis Courts Approval**
- 4. Leota McClellan Loan Fund Approval**
- 5. Museum Fund Approval**
- 6. Theater Guild Fund & Theater Seats Fund Approval**
- 7. Unrestricted Fund Balances Report**

**VII. Informational Items**

- 1. BCA ADV Part 2A**
- 2. BCA Privacy Notice**

**Committee Members**

**Skip Miller, Chair  
Misty Price  
Shonda Wilson  
George Angeliadis  
Kerra Kuzmick**

**ATTACHMENTS**

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- 2. Warrant Registers for February and March 2025**

**III. First Quarter 2025 Management Account Reports**

**IV. Investment Consultant**

- 1. 2025 First Quarter Report**

**V. Old Business**

- 1.**

**VI. New Business**

- 1. Updated Investment Policy Statement**
- 2. Unused Projects Report**
- 3. Leota McClellan Last Will & Testament**
- 4. Friends of the West Pasco Museum Flier**
- 5. Unrestricted Fund Balances Report**

**VII. Informational Items**

- 1. BCA ADV Part 2A**
- 2. BCA Privacy Notice**

**Upcoming Meeting Dates**

**Thursday, August 21, 2025, Porter Campus  
Thursday, November 20, 2025, West Campus**

## PASCO-HERNANDO STATE COLLEGE FOUNDATION, INC.

Finance Committee Meeting  
Minutes  
Wednesday, February 20, 2025  
3:00 pm

**Present in Person:** Shonda Wilson, Misty Price, Kerra Kuzmick  
**Zoom:** Skip Miller  
**Absent:** George Angeliadis  
**Staff:** Lisa Richardson, Carla Crow  
**Guests:** Mitchell Brennan of Burgess Chambers & Associates, Inc.

- I. **CALL TO ORDER:** - Mr. Miller called the meeting to order at 3:10 p.m. A quorum was established.
- II. **APPROVALS**
  1. **Minutes** – The minutes were presented from the November 20, 2024, meeting. **A motion was made to approve the minutes.**  
**Motion to approve: Kerra Kuzmick**  
**Seconded: Shonda Wilson**  
**Motion carried unanimously.**
  2. **Warrant Register** – The warrant register for January 2025 was presented. **A motion was made to approve the warrant register.**  
**Motion to approve: Shonda Wilson**  
**Seconded: Kerra Kuzmick**  
**Motion carried unanimously.**
- III. **FOURTH QUARTER MANAGEMENT ACCOUNT REPORTS** – Mr. Miller reviewed the Budget Variance Report and the Dashboard Report with the committee. The Foundation ended the year with an actual net gain of \$800,000 compared to a budgeted loss of \$715,000 creating a positive variance of \$1.5 million. Total investments increased from \$68 million at the end of 2023 to a little over \$74 million at the end of 2024.
- IV. **Investment Consultant** – Mr. Mitchell Brennan of BCA
  1. **Fourth Quarter Investment Performance Report**
    - Mr. Brennan provided a Market Overview and Plan Review Report for Q4 2024 and the Preliminary Investment Performance Report for December 31, 2024. The Foundation was down \$246K for the quarter but earned \$6.7 million for the one-year period. For the five-year period, the Foundation averaged a +6.7% return which is in line with the 6.5% spending policy.
    - The value of Infinity/Capital Partners (Collins/Infinity) represents \$232K or 0.3% of the Foundation's total assets. The sale of Albertson's to Kroger is pending FTC approval and expected to go through under the Trump administration. Once the sale is complete, the Foundation should receive the rest of their investment.
    - The Foundation has received \$1.8 million of the \$2.5 million redemption request from Deutsche RREEF America REIT as of 12/31/24.

**V. OLD BUSINESS:**

1. N/A

**VI. NEW BUSINESS:**

1. **Ms. Crow reviewed the updated Gift Acceptance Policy.** There were three changes to the Gift Acceptance Policy.
  - i. The names of the Board and the Executive Board were changed to reflect their current titles.
  - ii. The minimum needed to establish an endowment was increased from \$15,000 to \$20,000. This was changed due to an endowment needing to be over \$18,000 for 3.5% to equal a \$650 scholarship award. The spending policy only allows the Foundation to spend 3.5% of the endowment balance each year.
  - iii. Information for on-line credit card gifts was added to the methods of giving section.

**A motion was made to approve the updated Gift Acceptance Policy.**

**Motion to approve:** Shonda Wilson

**Seconded:** Misty Price

**Motion carried unanimously.**

**The policy will be presented to the Board at the March meeting for final approval.**

2. Dr. Richardson shared the need for more foursomes, hole sponsors and an awards sponsor for the Golf Tournament on March 7<sup>th</sup> at Lake Jovita.

**VII. ADJOURNMENT:** – Mr. Miller made a motion to adjourn the meeting at 4:11 p.m.

Pasco-Hernando State College Foundation, Inc.  
Warrant Register  
February 2025

Date Paid	Check #	Vendor name	Description	Amount	Bank name
2/6/2025	39	AT&T Mobility	Jan2025 wireless services	\$66.47	Truist
2/3/2025	3215	Autumn Alexis	Sams Club - Pres. conference room guest refreshments	\$116.98	Truist
2/3/2025	3216	Minuteman Press of NPR	Signature stamp self inking B.Bell Job 125717	\$21.60	Truist
2/3/2025	3216	Minuteman Press of NPR	PAC 2024/2025 series - 100 booklets Job125726	\$261.18	Truist
2/3/2025	3217	RESolutions TECH Inc.	3 YR TSP - 2nd YR RE support package	\$7,000.00	Truist
2/3/2025	3218	Tix, Inc.	Internet Fees 1/24/25-1/30/2025	\$11.50	Truist
2/3/2025	3219	Touchpoint Management Services LI	2024 Annual Report ProjMgmt,Graphic Design,Proof,Print,Mail	\$6,478.00	Truist
2/5/2025	3220	Hungry Harry's	Catering for Workforce Development Fundraiser with Gratuity	\$3,561.00	Truist
2/10/2025	3221	Pasco-Hernando State College	Q4 expense - SPD and Salaries	\$160,560.87	Truist
2/10/2025	3222	Tix, Inc.	Internet Fees 1/31/25-2/6/2025	\$17.00	Truist
2/17/2025	3223	Tix, Inc.	Internet Fees 2/7/25-2/13/2025	\$19.75	Truist
2/17/2025	3224	VESH, INC.	President's Investiture VIP breakfast 2-25-25 balance	\$4,053.86	Truist
2/17/2025	3225	William Clare Entertainment	2/21/25 Gregggy and the Jets PAC Show	\$6,000.00	Truist
2/21/2025	1513	Trusit Bank	Truist Bank Fees for February	\$79.71	Truist
2/24/2025	3226	Burgess Chambers & Assoc., Inc.	Q4-24 Investment Advisory Fee	\$18,359.89	Truist
2/24/2025	3227	Tix, Inc.	Internet Fees 2/14/25-2/20/2025	\$32.50	Truist
<b>Truist</b>				<b>\$206,640.31</b>	
2/2/2025	518	Bank of America	Bank of America Merchant Account Fee for February	\$69.86	Bank of America
2/27/2025	520	Bank of America	Bank of America Merchant Account Fee for February	\$0.19	Bank of America
2/4/2025	4166	Bank of America	\$General - PHSC Kumquart booth refreshments; Aatrix NEC Filing Fees 1099 YE24; Amazon supplies; Carrabba's - Strategic Planning Committee Appreciation; Crown Awards - steward Board ; \$Tree - Board mtg supplies; FL Div of Corp - annual rpt filing fee; Forevergift - Spread the Love Van day supplies; Greater Hernando Cnty Chamber - sponsor event; Hernando CoC - membership; \$Latintwist Cafe - donor/Board mtg; Michaels - Frames for Golf outing pics; Minuteman Press - signature stamp; NPR Rotary Club - membership; Publix - Alum&Donor, Board mtg, PAC show artists & volunteers supplies; Staples - off supplies; The Bristo Cafe at Campus - staff mtg & donor cultivation; Walmart - donor cultivation.	\$5,145.33	Bank of America
<b>Bank of America, NA</b>				<b>\$5,215.38</b>	
<b>Total</b>				<b>\$211,855.69</b>	

Supporting documentation on these expenditures will be made available upon request.

Pasco-Hernando State College Foundation, Inc.  
Warrant Register  
March 2025

Date Paid	Check #	Vendor name	Description	Amount	Bank name
3/5/2025	40	AT&T Mobility	Feb2025 wireless services	\$66.47	Truist
3/3/2025	3228	Minuteman Press of NPR	PAC 2024/2025 series - 100 booklets Job1126117	\$261.18	Truist
3/3/2025	3229	Richardson, Lisa	Publix - steward donor	\$16.04	Truist
3/3/2025	3230	Tix, Inc.	Internet Fees 2/21/25-2/27/2025	\$16.50	Truist
3/3/2025	3231	VESH, INC.	President's Investiture VIP breakfast 2-25-25 final bill	\$169.16	Truist
3/17/2025	3232	Tampa Type/Print, Inc.	Banner & Signs for Golf Tournament	\$414.00	Truist
3/17/2025	3233	Tix, Inc.	Internet Fees 2/28/25-3/6/2025	\$25.50	Truist
3/17/2025	3234	Unique Awards and Engraving	8 trophies for Golf Outing Fundraiser	\$856.00	Truist
3/17/2025	3235	William Clare Entertainment	3/21/2024 Rocky and the Rollers - PAC show	\$6,000.00	Truist
3/17/2025	3236	Richardson, Lisa	Amazon - Bday gift Stewardship LR	\$13.87	Truist
3/24/2025	3237	Prosource Specialties LLC	Golf Tournament give bag items for 108 golfers	\$2,962.19	Truist
3/24/2025	3238	Lake Jovita Golf and Country Club	Golf Tournament, Food, and gratuity fee (48-65 attendees)	\$8,543.88	Truist
3/24/2025	3239	Tix, Inc.	Internet Fees 3/14/25-3/20/2025	\$19.00	Truist
3/25/2025	3240	CETA	Stud Scholarship Sponsor-Platinum-Career & Tech	\$1,500.00	Truist
3/31/2025	3241	Community Florist	Arrangement for Tracy Meshey	\$81.00	Truist
3/31/2025	3241	Community Florist	Arrangement for Cherry Kinnunen	\$81.00	Truist
3/31/2025	3242	John Stalter Jr.	4x6 photos developed for golfers at tournament	\$387.00	Truist
3/31/2025	3243	Pasco-Hernando State College	JC's Customs: WC Museum window tinting Inv#50278	\$5,973.11	Truist
3/31/2025	3244	Tix, Inc.	Internet Fees 3/21/25-3/27/2025	\$29.25	Truist
3/31/2025	3245	William Clare Entertainment	4/4/2024 Shades of Buble - PAC show	\$7,000.00	Truist
3/19/2025	1531	Truist - payment	Blackbaud Disbursement 3-19-25	\$25.00	Truist
3/21/2025	1536	Truist	Truist Bank Fees for March	\$83.47	Truist
<b>Truist</b>				<b>\$34,523.62</b>	
3/2/2025	519	Bank of America	Bank of America Merchant Account Fee for February	\$83.81	Bank of America
3/6/2025	4168	Bank of America	Leadership Pasco 2025 sponsorship; VIP breakfast: Tablecloths Factory, Hobby Lobby; Staff mtgs: Slice of Life, KafeKokopelli; Publix: PAC show; Spread the Love day supplies: Walmart, Hobby Lobby; Trustee mtgs: US CapVisitor Ctr Café, Stoglina, Hayward House; DBOT mtgs: Goodies Eatery, Hayward House; Michaels: Picture frames Golf Outing.	\$1,933.06	Bank of America
<b>Bank of America, NA</b>				<b>\$2,016.87</b>	
<b>Total</b>				<b>\$36,540.49</b>	

Supporting documentation on these expenditures will be made available upon request.

PHSC FOUNDATION, INC.  
Investment Analysis

Quarter Ended March 31, 2025

**III. (2) Investment Performance Analysis for the Quarter Ended March 31, 2025**

The Investment Performance Analysis – Quarter report reflects the cash flow movement from the quarter beginning balance to the quarter ending balance. The checking and savings accounts are not under investment management control.

The fees paid by checking in the amount of \$18,360 represent the management fees paid through the operating checking account and are added to the calculation for completeness. In checking, donations of \$146,645 consist mainly of receipts from:

- the State of Florida FGMG, Christopher Stambaugh, TECO, the Huhtanen Revocable Trust, Construction Services, Inc., Joel Goldberg Revocable Living Trust, the Ackley Foundation, Periodontal Health Center, the President's Investiture Fund, the Golf Tournament, Burgess Chambers, and employee giving.

Total assets in cash and investments were \$73,657,659. This is a net decrease of \$642,042 (\$74,299,701-73,657,659) from the prior quarter. The -0.70% net performance return on average capital is a simple rate of return on market performance.

The total realized income net of fees in the managed investment accounts is a gain of \$382,880 (accrual basis). Management fees were \$24,723.

An unrealized loss of \$926,603 is the decrease in market value for the current quarter due to market price fluctuation.

**III. (3) Investment Performance Analysis - Annual 2024 and 2025 Comparison**

The Investment Performance Analysis - Annual compares the rolling twelve months ended March 31<sup>st</sup> of 2024 and 2025.

Assets under management achieved a simple net performance gain on average capital of 4.62%. Total ending market value for cash and investments increased by \$2,133,448 over the prior year.

On the checking side, cash flow was partially maintained by donations of \$688,723 and the sale of the Snell property. These donations, along with the available cash in the checking account, provided approximately \$2 million in college scholarships and grants and \$191,423 in vendor payments.

The twelve months ended March 31, 2025, produced an increase in interest and dividend earnings of \$456,207 from all cash assets. Fees increased by \$19,255.

The 2025-2024 decrease in unrealized gains of \$3,018,739 is the difference between the unrealized gain of the twelve-month period as of March 31, 2025, of \$4,293,657 and the unrealized gain in the twelve-month period as of March 31, 2024, of \$1,274,918.

### **III. (4a) Cash Equivalents-Quarterly and III. (4b) One-Year Comparisons as of March 31, 2025**

The Cash Equivalents reports show the total cash position, including all banking and investment accounts. Cash holdings increased by \$502,703 in the first quarter of 2025. Retail banks decreased by \$116,679, and investments increased by \$619,382.

Total cash holdings for the twelve months decreased by \$1,917,232. This is due to a \$1,231,268 decrease in retail banks and a decrease of \$685,964 in investments.

### **III. (5) Investment Income and Expense Quarterly Report**

This report is a basic income statement that compares the 2024 and 2025 quarters. The prior quarter is compared with the current quarter, with the variances shown. The quarter ending March 31, 2025, shows a decrease of \$170,551 over the prior quarter due to a decrease in realized income and an increase in unrealized gains. The difference between the quarter for March 2024 and the quarter for March 2025 is a decrease of \$3,328,399.

### **III. (6) Investment Income and Expense One-Year Report**

This report is also a basic income statement, showing the differences between the two twelve-month periods. The difference between these periods of \$3,215,564 is due to realized and unrealized losses.

### **III. (7) Budget Variance Report**

The Budget Variance Report compares the approved budget with the actual results of operations. At the end of the first quarter, operating revenues were \$1,111,896, with \$565,215 coming from the administrative assessment, \$430,569 from investment income, and \$116,112 from all other categories. The percentage of actual income to budgeted income is 49%. Endowed donations are 29% of the budgeted amount. Foundation support spending is 23% of the budget for support services and 36% for college support. The current net income is a gain of \$111,050.

### **III. (8) Dashboard Report**

The Dashboard Report provides graphs showing the total Cash & Cash Equivalents and Investment balances as of March 31<sup>st</sup> for 2024 and 2025. It also provides graphs showing Investment Income comparison on a quarterly and annual basis, as well as a summary of the Budget Variance Report.

**PASCO-HERNANDO STATE COLLEGE FOUNDATION, INC.**  
**INVESTMENT PERFORMANCE ANALYSIS - QUARTER**  
**For The Quarter Ending March 31, 2025**

	Managed	Checking	Totals
Beginning Market Value, January 1, 2025	73,489,808	809,893	74,299,701
Fees paid by checking	18,360	(18,360)	0
Adjusted Beginning Market Value	73,508,168	791,533	74,299,701
Transfers between investments and commercial	0	0	0
Additions (Donations)	0	146,645	146,645
Payments to PHSC	0	(166,534)	(166,534)
Payments to vendors/accrual adjustment	(21,195)	(79,750)	(100,946)
Interest & Dividends	394,087	1,771	395,858
Fees: Advisor (BCA), Management, Banks	(24,723)	(451)	(25,174)
Realized gain (loss)	34,712	0	34,712
Total Realized income	382,880	(98,319)	284,561
Unrealized gain (loss)	(926,603)	0	(926,603)
Ending Market Value, March 31, 2025	72,964,446	693,213	73,657,659
Net Performance Return on Average Capital	-0.71%	0.18%	-0.70%
Advisory fee % of Average capital	0.034%	0.060%	0.034%

**PASCO-HERNANDO STATE COLLEGE FOUNDATION, INC.**  
**INVESTMENT PERFORMANCE ANALYSIS - ANNUAL**  
**For The Twelve Months Ending March 31, 2025**

2024		2025			2025-2024 Difference
		Totals	Managed	Checking	
Beginning Market Value, April 1	64,883,003	71,524,211	69,599,730	1,924,481	6,641,208
Fees paid by checking	0	0	71,717	(71,717)	0
Beginning Market Value plus additions	64,883,003	71,524,211	69,671,447	1,852,765	6,641,208
Transfers between investments and commercial	0	0	0	0	0
Additions (Donations)	2,537,256	688,723	-	688,723	(1,848,533)
Sale of Property	0	324,531	0	324,531	324,531
Payments to PHSC	(2,182,445)	(1,993,791)	0	(1,993,791)	188,654
Payments to vendors/accrual adjustment	(219,612)	(190,582)	841	(191,423)	29,029
Interest & Dividends	1,998,425	2,454,632	2,440,549	14,083	456,207
Fees: Advisor (BCA), Management, Banks	(234,551)	(215,297)	(213,623)	(1,674)	19,255
Realized gain (loss)	448,479	(209,686)	(209,686)	N/A	(658,165)
Total Realized income	2,347,551	858,530	2,018,081	(1,159,551)	(1,489,021)
Unrealized gain (loss)	4,293,657	1,274,918	1,274,918	N/A	(3,018,739)
Ending Market Value, March 31	71,524,211	73,657,659	72,964,446	693,213	2,133,448
Net Performance Return on Average Capital	9.54%	4.55%	4.62%	0.95%	N/A
Advisory fee % of Average capital	0.34%	0.297%	0.300%	0.128%	N/A

**Pasco-Hernando State College Foundation, Inc.**  
**Cash and Cash Equivalents**  
**Quarterly Comparison**

	<u>Actual 3/31/25</u>	<u>Actual 12/31/24</u>	<u>Change</u>
Cash and Cash Equivalents			
Retail Banks			
Bank of America Checking	\$186,743	\$187,431	(\$688)
Truist Bank Checking	506,470	622,461	(\$115,991)
Total Retail Banks	<u>\$693,213</u>	<u>\$809,893</u>	<u>(\$116,679)</u>
Investments			
Fifth-Third 5733 R&D Mutual Funds Cash Equivalents	\$2,775,995	\$2,409,152	\$366,842
Fifth-Third 5709 Advent Capital Cash Equivalents	129,461	101,513	\$27,947
Fifth-Third 5725 Integrity Cap Cash Equivalents	277,613	53,021	\$224,593
Total Investments	<u>\$3,183,068</u>	<u>\$2,563,686</u>	<u>\$619,382</u>
Total Cash and Cash Equivalents	<u><u>\$3,876,281</u></u>	<u><u>\$3,373,579</u></u>	<u><u>\$502,703</u></u>

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**Pasco-Hernando State College Foundation, Inc.**  
**Cash and Cash Equivalents**  
**One Year Comparison**

	<u>Actual 3/31/25</u>	<u>Actual 3/31/24</u>	<u>Change</u>
Cash and Cash Equivalents			
Retail Banks			
Bank of America Checking	\$186,743	\$192,501	(\$5,758)
Truist Bank Checking	506,470	1,731,980	(\$1,225,510)
Total Banking and Mutual Funds	<u>\$693,213</u>	<u>\$1,924,481</u>	<u>(\$1,231,268)</u>
Investments			
Fifth-Third 5733 R&D Mutual Funds Cash Equivalents	\$2,775,995	\$3,290,580	(\$514,586)
Fifth-Third 5709 Advent Capital Cash Equivalents	129,461	151,801	(\$22,341)
Fifth-Third 5725 Integrity Cap Cash Equivalents	277,613	426,650	(\$149,037)
Total Assets Under Management	<u>\$3,183,068</u>	<u>\$3,869,032</u>	<u>(\$685,964)</u>
Total Cash and Cash Equivalents	<u><u>\$3,876,281</u></u>	<u><u>\$5,793,513</u></u>	<u><u>(\$1,917,232)</u></u>

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## Pasco-Hernando State College Foundation, Inc. Investment Income and Expense Quarterly

Account Description	Quarter 3/31/24	Quarter 3/31/25	Quarter 12/31/24	Current Change
Revenue				
Realized Income				
Interest and Dividends				
Investment Income, net of foreign tax	364,139	394,087	1,119,666	(725,579)
Total Interest and Dividends	<u>\$364,139</u>	<u>\$394,087</u>	<u>\$1,119,666</u>	<u>(\$725,579)</u>
Realized Gains and Losses				
Net Proceeds	<u>(\$103,033)</u>	<u>\$34,712</u>	<u>\$186,494</u>	<u>(\$151,782)</u>
Total Realized Gains and Losses	<u>(\$103,033)</u>	<u>\$34,712</u>	<u>\$186,494</u>	<u>(\$151,782)</u>
Total Realized Income	<u>\$261,106</u>	<u>\$428,798</u>	<u>\$1,306,160</u>	<u>(\$877,361)</u>
Unrealized Income				
Market Gains and Losses				
Market Gains and Losses	<u>2,582,222</u>	<u>(926,603)</u>	<u>(1,575,962)</u>	<u>\$649,359</u>
Total Market Gains and Losses	<u>\$2,582,222</u>	<u>(\$926,603)</u>	<u>(\$1,575,962)</u>	<u>\$649,359</u>
Total Unrealized Income	<u>\$2,582,222</u>	<u>(\$926,603)</u>	<u>(\$1,575,962)</u>	<u>\$649,359</u>
Total Revenue	<u>\$2,843,328</u>	<u>(\$497,804)</u>	<u>(\$269,802)</u>	<u>(\$228,002)</u>
Expenses				
Fees and Expenses				
Management Fees				
Advisor Fees and Fund Charges	<u>37,456</u>	<u>24,723</u>	<u>82,174</u>	<u>57,451</u>
Total Management Fees	<u>37,456</u>	<u>24,723</u>	<u>82,174</u>	<u>57,451</u>
Total Fees and Expenses	<u>\$37,456</u>	<u>24,723</u>	<u>82,174</u>	<u>57,451</u>
Total Expenses	<u>\$37,456</u>	<u>24,723</u>	<u>82,174</u>	<u>57,451</u>
NET SURPLUS/(DEFICIT)	<u><u>\$2,805,872</u></u>	<u><u>(\$522,527)</u></u>	<u><u>(\$351,976)</u></u>	<u><u>(\$170,551)</u></u>

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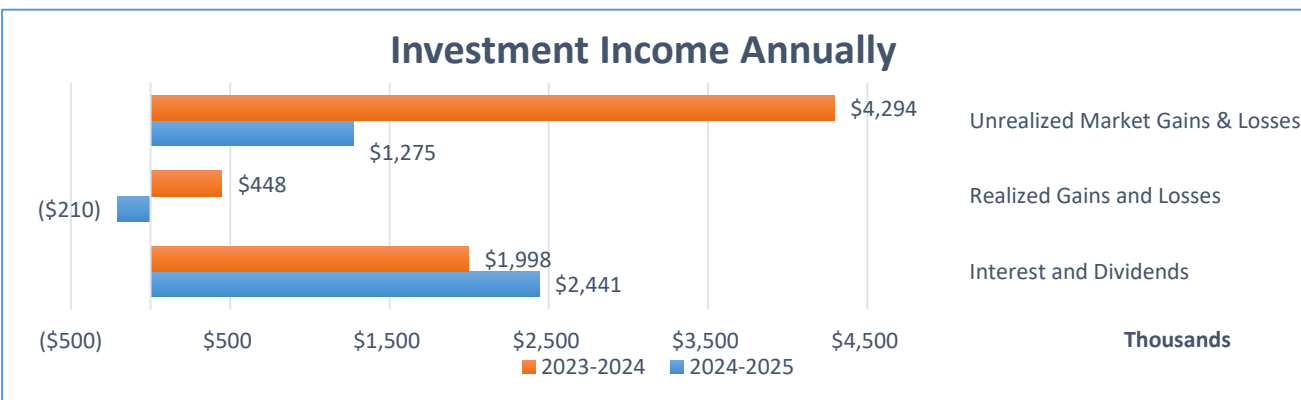
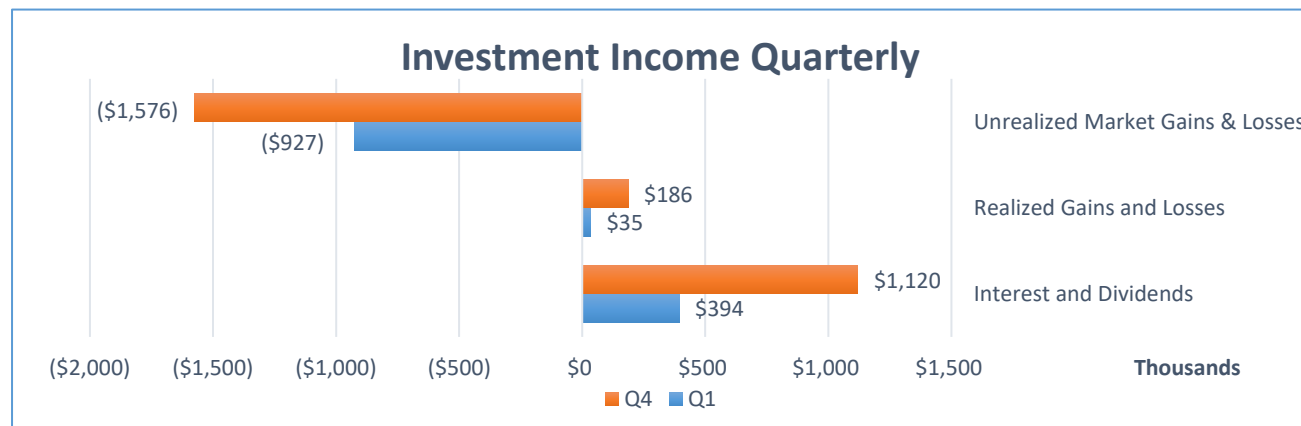
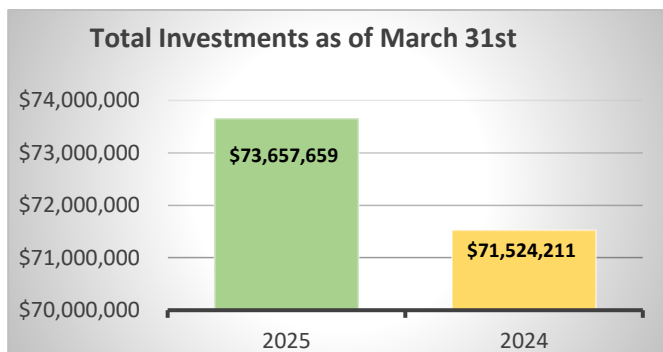
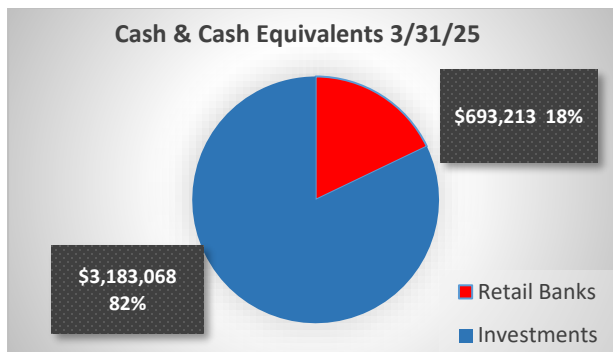
## Pasco-Hernando State College Foundation, Inc. Investment Income and Expense One Year Report

<u>Account Description</u>	<u>3/31/2025</u>	<u>3/31/2024</u>	<u>Change</u>
Revenue			
Realized Income			
Interest and Dividends			
Investment Income, net of foreign taxes	\$2,440,549	\$1,998,322	\$442,227
Total Interest and Dividends	<u>\$2,440,549</u>	<u>\$1,998,322</u>	<u>\$442,227</u>
Realized Gains and Losses			
Net Proceeds	(\$209,686)	\$448,479	(\$658,165)
Total Realized Gains and Losses	<u>(\$209,686)</u>	<u>\$448,479</u>	<u>(\$658,165)</u>
Total Realized Income	<u>\$2,230,863</u>	<u>\$2,446,801</u>	<u>(\$215,938)</u>
Unrealized Income			
Market Gains and Losses			
Market Gains and Losses	\$1,274,918	\$4,293,657	(\$3,018,739)
Total Market Gains and Losses	<u>\$1,274,918</u>	<u>\$4,293,657</u>	<u>(\$3,018,739)</u>
Total Unrealized Income	<u>\$1,274,918</u>	<u>\$4,293,657</u>	<u>(\$3,018,739)</u>
Total Revenue	<u>\$3,505,782</u>	<u>\$6,740,458</u>	<u>(\$3,234,677)</u>
<b>Expenses</b>			
Fees and Expenses			
Management Fees			
Advisor Fees and Fund Charges	\$213,623	\$232,735	\$19,112
Total Management Fees	<u>\$213,623</u>	<u>\$232,735</u>	<u>\$19,112</u>
Total Fees and Expenses	<u>\$213,623</u>	<u>\$232,735</u>	<u>\$19,112</u>
<b>Total Expenses</b>	<u><b>\$213,623</b></u>	<u><b>\$232,735</b></u>	<u><b>\$19,112</b></u>
<b>NET SURPLUS/(DEFICIT)</b>	<u><b>\$3,292,159</b></u>	<u><b>\$6,507,723</b></u>	<u><b>(\$3,215,564)</b></u>

## Pasco-Hernando State College Foundation, Inc.

### Budget Variance Report

2025				
<u>Account Number</u>	<u>Budget</u>	<u>Actual 3/31/25</u>	<u>Variance</u>	<u>%</u>
<b>Revenues</b>				
Operating Revenues				
Administrative Assessment	\$565,215	\$565,215	\$0	
Donations	\$600,000	\$38,359	(\$561,641)	
State Matching Grant Funds	\$50,000	\$0	(\$50,000)	
Fundraising	\$75,000	\$71,146	(\$3,854)	
In-Kind Revenue	\$0	\$6,607	\$6,607	
Investment Income	\$1,000,000	\$430,569	(\$569,431)	
<b>Total Operating Revenues</b>	<b>\$2,290,215</b>	<b>\$1,111,896</b>	<b>(\$1,178,319)</b>	<b>49%</b>
<b>Expenses</b>				
Support Services				
Advertising	\$1,500	\$0	\$1,500	
Contingency	\$20,000	\$0	\$20,000	
Contracted Services	\$463,551	\$86,071	\$377,480	
Fees and memberships	\$49,800	\$33,215	\$16,585	
Insurance	\$5,500	\$2,082	\$3,418	
Printing	\$20,750	\$8,469	\$12,281	
Equipment/Rentals	\$1,000	\$0	\$1,000	
Supplies	\$36,500	\$6,858	\$29,642	
<b>Total Support Services</b>	<b>\$598,601</b>	<b>\$136,694</b>	<b>\$461,907</b>	<b>23%</b>
College Support				
Scholarships	\$1,400,000	\$684,223	\$715,777	
Contingency	\$30,000	\$0	\$30,000	
Staff & Program Development	\$885,062	\$155,206	\$729,856	
<b>Total College Support</b>	<b>\$2,315,062</b>	<b>\$839,429</b>	<b>\$1,475,633</b>	<b>36%</b>
Investments Expense				
Investments	\$245,000	\$24,723	\$220,277	
<b>Total Investments Expense</b>	<b>\$245,000</b>	<b>\$24,723</b>	<b>\$220,277</b>	<b>10%</b>
<b>Total Expenses</b>	<b>\$3,158,663</b>	<b>\$1,000,846</b>	<b>\$2,157,817</b>	<b>32%</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(\$868,448)</b>	<b>\$111,050</b>	<b>\$979,498</b>	
Additions to Endowments				
Endowed Donations	\$100,000	\$29,050	(\$70,950)	29%
FE-Financial Statements-Income Statement				



**Budget Variance Report**  
2025

Account Number	Amended Budget	3/31/2025	Variance	%
<b>Revenues</b>				
Total Operating Revenues	\$2,290,215	\$1,111,896	(\$1,178,319)	49%
<b>Expenses</b>				
Total Support Services	\$598,601	\$136,694	\$461,907	23%
Total College Support	\$2,315,062	\$839,429	\$1,475,633	36%
Total Investments Expense	\$245,000	\$24,723	\$220,277	10%
<b>Total Expenses</b>	<b>\$3,158,663</b>	<b>\$1,000,846</b>	<b>\$2,157,817</b>	<b>32%</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(\$868,448)</b>	<b>\$111,050</b>	<b>\$979,498</b>	
Total Additions to Endowments	\$100,000	\$29,050	(\$70,950)	29%

## **INTRODUCTION**

The Pasco-Hernando State College Foundation, Inc. (Foundation) is an exempt organization under Internal Revenue Code Section 501(c) (3), and as such, is not sensitive to income tax effects from investments. Revenues are primarily derived from charitable donations, State matching funds, interest, and capital gains on investment.

The Foundation exists as a direct support organization (DSO) under chapter 1004.70, Florida Statutes, and rules of the District Board of Trustees of Pasco-Hernando State College (PHSC). Its primary purpose is to support programs of the College through scholarships and academic improvement. As a DSO, the Foundation's financial data must be included in PHSC's Comprehensive Annual Financial Report (CAFR), as a component unit. In this capacity, the Foundation is subject to the reporting requirements of the Governmental Accounting Standards Board (GASB) and will incorporate the necessary disclosure requirements in this policy in Addendum A.

The by-laws adopted by the Foundation's Board of Directors describe the structure and administrative operations of the Foundation.

### **I. SCOPE AND PURPOSE OF THE INVESTMENT POLICY STATEMENT**

This statement of Investment Policy reflects the investment policy, objectives, and constraints of the Foundation.

This statement of investment policy is recommended by the Finance Committee and set forth by the Executive Committee under the direction of the Board of Directors of the Foundation, in order to:

- A. Define and assign the responsibilities of all involved parties; including the Finance Committee, the investment managers, and the investment consultant.
- B. Establish investment goals and objectives.
- C. Establish a basis for expectations and the evaluation of investment results.

### **II. DUTIES OF THE FINANCE COMMITTEE**

The Finance Committee is charged with directing the management of Foundation assets. The Finance Committee shall discharge its duties solely in the best interest of the Foundation, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent investor, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. In performing its investment duties, the Finance Committee, investment managers, and investment consultant shall comply with Florida Statutes, Chapter 617.2014 Florida Uniform Prudent Management of Institutional Funds Acts.

### III. DELEGATION OF AUTHORITY

The Board~~of Directors~~ of the Foundation are fiduciaries and have delegated the responsibility for oversight and monitoring the investment management of Foundation assets to the Finance Committee. ~~As such, the Committee is authorized to delegate certain responsibilities to professional experts in various fields. Such experts are deemed to be fiduciaries and shall acknowledge such in writing. These experts may include, but are not limited to:~~

- A. Investment Consultant: The investment consultant may assist the Executive Committee to establish investment policy guidelines and objectives, selecting and reviewing investment managers, measuring, and evaluating said managers and the total program investment performance, and other tasks as deemed necessary.
- B. Investment Manager. The investment managers have discretion to purchase and sell specific securities that will be used to meet the Foundation's investment objectives.
- C. Custodian: The custodian shall hold in Trust securities owned by the Foundation, collect dividends and interest payments, redeem maturing securities, and provide receipt and delivery following purchases and sales.
- D. Additional professionals such as attorneys, auditors, and others that may be retained by the Finance and Executive Committees to assist in meeting its responsibilities and obligations to administer Foundation assets prudently.

### IV. INVESTMENT AND FIDUCIARY STANDARDS

In performing their investment duties, the Finance and Executive Committees, Board~~of Directors~~, investment managers, and investment consultant shall comply with the fiduciary standards for prudent investments by fiduciaries set forth in section 518.11, Florida Statutes, and the Florida Uniform Management of Institutional Funds Act, Florida Statutes 1010.10.

- A. for the exclusive purpose of achieving the Foundation objectives and defraying reasonable expenses of administering the Foundation;
- B. with the care, skill, prudence, and diligence under the circumstance then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aim; and
- C. by diversifying the investments of the Foundation so as to manage market risks.

## V. OBJECTIVE OF THE FUND

- A. The objective is to obtain an expected total return from a combination of capital appreciation and gross income, without assuming unreasonable risk of principal.
- B. There should be reasonable income and cash flow to meet program obligations funded by the Foundation while allowing the principal to keep pace with inflation. -Capital appreciation of the investments may be used to meet these income and cash flow needs.
- C. The investment program should be diversified across a broad range of industries (and asset classes) to manage market risk.

## VI. SPENDING POLICY

To support scholarships and programs identified by the Foundation, three and one half (3.5%) percentage points of the prior June 30<sup>th</sup> balance of the fund may be granted annually. The administrative operations of the Foundation including management fees may be supported through nine-tenths of a percent (0.9%) assessment to the Foundation. The Foundation is expected to earn six and one half (6.5%) percentage points over five-year moving period.

Target Budget:

Program and Scholarship Support	3.5%
<u>Inflation (expected long-term)</u>	<u>2.1%</u>
<u>Administrative assessment</u>	<u>0.9%</u>
<u>Total Return Target</u>	<u>6.5%</u>

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## VII. ASSET ALLOCATION AND REBALANCING PROCEDURE

It is expected that asset allocations/investments shall generate sufficient revenues to meet the requirements of the Spending Policy set forth in Section VI. The investment strategy of the Foundation will utilize various separate investment approaches, as follows:

<b>Investment Approach</b>	<b>Target %</b>	<b>Min</b>	<b>Max</b>
Large cap value equity	14.0	10.0	18.0
Large cap growth equity	14.0	10.0	18.0
Mid cap core equity	6.0	3.0	9.0
Small cap equity	4.0	2.0	6.0
Infrastructure	5.0	0.0	8.0
Convertible securities	8.0	0.0	12.0
International securities	5.0	0.0	8.0
Real estate (private) (Direct Real Estate)	10.0	0.0	14.0
Fixed Income (Core Bonds)	26.0	N/A	N/A
Fixed Income (Short-Term Bonds)	5.0	0.0	10.0
Cash Equivalents (Other)	3.0	0.0	N/A
	100.0		

The benchmark objective of the Foundation is a hybrid index, as follows:

	<b>Allocation %</b>
Russell 1000 stock index	28.0
S&P 400 mid-cap stock index	6.0
S&P 600 Index	4.0
FTSE Global Core Infrastructure 50/50 Index	5.0
Merrill Lynch convertibles (ex 144a)	8.0
MSCI ACWI ex US	5.0
NCREIF ODCE	10.0
Bloomberg Barclays Aggregate Bond Index	26.0
Bloomberg Barclays 1-5 Year Credit Index	5.0
BOA Merrill Lynch 3 Months T-Bills	3.0
Total	100.0

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Since market conditions will favor one approach over another during 12 to 36-month time periods, the asset allocation will require periodic rebalancing. -Because the long-term approach of the Foundation is to achieve blended returns of ten separate investment approaches, it is essential that relative weightings do not become over or under-allocated for ~~extended~~<sup>long</sup> periods of time. \*Accordingly, at least annually, each asset category shall be reviewed for possible rebalancing to the target allocation under the direction of the investment consultant. The Foundation may deviate from the target allocation due to market conditions.

### VIII. PERFORMANCE MEASUREMENT STANDARDS, EXPECTED ANNUAL RETURN

The Foundation's investment managers shall have full discretion in the selection and disposition of securities, but shall be limited by the investment standards and guidelines set forth in section IX. The below listed performance measures will be used as objective criteria for evaluating the effectiveness of each investment manager:

#### A. FOUNDATION INVESTMENT PERFORMANCE

1. Total long-term performance shall be measured over rolling three and five-year periods. -These periods are considered sufficient to accommodate the market cycles experienced with investments. -The performance will be compared to the return of the benchmark objective defined in section VII.
2. The desired investment return is at least six and one half percent (6.5%).
3. It is expected that the Foundation investment experience will rank in the top 40th percentile of an appropriate peer group.
4. On a relative basis, it is expected that each manager's investment performance shall rank in the top 50th percentile of an appropriate universe over three and five-year periods.

#### B. PERFORMANCE STANDARDS

1. The large cap *growth* equity portion is expected to meet or exceed the return of the Russell 1000 Growth Index and rank within the top 50th percentile of an appropriate *growth* equity universe over three and five-year periods.
2. The large cap *value* equity and equity income portions are expected to meet or exceed the return of the Russell 1000 Value Index and rank within the top 50th percentile of an appropriate *value* equity universe over three and five-year periods.

3. The *mid-cap* equity portion is expected to meet or exceed the return of the S&P Midcap 400 index and rank within the top 50th percentile of an appropriate *mid-cap* equity universe over three and five-year periods.
4. The *small-cap* equity portion is expected to meet or exceed the return of the S&P 600 index and rank within the top 50th percentile of an appropriate *small-cap* equity universe over three and five-year periods.
5. The *convertibles securities* portfolio is expected to meet or exceed the return of the Merrill Lynch Convertible index (ex 144a) and rank within the top 50th percentile of an appropriate universe over three and five-year periods.
6. The *international* portion is expected to meet or exceed the return of the MSCI ACMI ex US index and rank within the top 50th percentile of an appropriate *international* equity universe over three and five-year periods.
7. The *real estate* portion is expected to meet or exceed the return of the NCREIF ODCE index and rank within the top 50th percentile of an appropriate *real estate* universe over three and five-year periods.
8. The *fixed-income (core bonds)* portion is expected to meet or exceed the return of the Barclays Aggregate bond index and rank within the top 50th percentile of an appropriate *broad market* fixed income universe over three and five-year periods.
9. The *fixed-income (short-term bonds)* portion is expected to meet or exceed the return of the Barclays 1-5 Year Credit bond index and rank within the top 50th percentile of an appropriate *broad market* fixed income universe over three and five-year periods.
10. The *infrastructure portion* is expected to achieve the return of the FTSE Global Core Infrastructure 50/50 Index and rank within the top 50th percentile of an appropriate equity universe over three and five-year periods.

## IX. INVESTMENT GUIDELINES

*Liquidity:* The investment consultant shall be kept informed of the liquidity requirements of the Foundation. ~~The investment portfolios shall be structured to provide sufficient liquidity to pay all distribution and expense obligations as they come due. Furthermore, there shall be sufficient funding for unexpected developments, possible future increases in distributions and reduction of interest rates or total return from investments. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.~~ The Finance Committee shall retain cash in such amount as it may deem advisable in the Cash Management Reserve Account. See addendum B.

*Risk and Diversification:* Investments shall be diversified among various asset classes (categories) to the extent practical to control risk of loss resulting from over concentration in a specific maturity, issuer, industry, instrument, dealer, or bank through which financial instruments are bought and sold. ~~The Board of Directors~~ recognizes the uncertainty that is associated with achieving the Foundation's investment objectives in light of the volatility of capital markets.

*Tax Considerations:* As a non-profit organization under IRC 501(c)(3), the Foundation is not sensitive to income tax considerations. ~~Also,~~ as a non-profit, the Foundation must be aware of any investments that might characterize income as unrelated business tax income, subject to unrelated business income tax (UBIT).

### A. AUTHORIZED INVESTMENTS

The following investments are authorized:

1. High quality money market instruments and time deposits insured by FDIC.
2. Obligations issued by the United States Government and its Agencies or obligations guaranteed as to principal and interest by the government of the United States.
3. Bonds or other evidences of indebtedness issued or guaranteed by a corporation organized within the United States or the District of Columbia provided the issues are traded over-the-counter (OTC) and shall hold a rating of Baa2/Mid BBB or above by Moody's and Standard & Poor's, respectively. ~~In the event of a split rating, the lower rating shall prevail. In the event of a downgrade, the bonds shall be sold within ten (10) trading days. This section applies to active management. Convertible securities (defined below) do not apply to these limitations, as they are classified as equities.~~

4. Equities – including publicly traded REITS, convertibles (convertible bonds, convertible preferred issues, convertible synthetics, and preferred stock). Convertible bonds, convertible preferred issues and preferred stock will be deemed as equity and shall not be held to the rating standards of fixed-income. Foreign convertible securities are limited to those that settle in U.S. dollars, limited to fifteen percent (15%) of a manager’s portfolio, and traded on one or more of the recognized national exchanges in the U.S., Canada, NASDAQ, or the OTC. For purposes of this paragraph, foreign securities are defined as those with a place of incorporation outside the U.S. or Canada.
5. Domestic stocks issued by a corporation organized within the United States or the District of Columbia provided the corporation is listed on one or more of the recognized national markets or on the National Market System of the NASDAQ.
6. Domestic equity investment managers may only invest in foreign securities designated as American Depositary Receipts (ADR), registered shares and foreign domiciled corporations whose shares trade on either the NYSE, American Stock Exchange, or listed on NASDAQ. Such investments may not exceed five percent (5%) of the investment manager’s account, based on market value. The MLP manager is exempt from this limitation.
7. International equities shall emphasize companies of developed countries.
8. Commingled stock, bond, or money market funds whose investments are restricted to securities meeting the criteria outlined in this section IX.
9. Real estate shall be limited to publicly traded REIT funds and private real estate trusts with monthly valuations and liquidity on a quarterly basis.
10. Hedge fund of funds with monthly valuations and liquidity on a quarterly basis.
11. Infrastructure programs whose securities trade on major global exchanges.
12. Commingled or mutual funds.

## B. LIMITATIONS

### 1. Equity Securities

- a) Investments in equities, including the real estate allocation, shall not exceed seventy percent (70%) of the Fund's assets at market value.
- b) Not more than five percent (5%) (at market) of an investment manager's equity portfolio shall be invested in the securities of a single corporate issuer. Commingled and mutual funds are exempt from this limitation.
- c) All equity securities shall be limited to those issues traded on a major stock exchange in the U.S., Canada, NASDAQ, and the OTC.
- d) Unless otherwise stated in an addendum to this Statement of Investment Policy, investments in the shares of companies that have been publicly traded for less than one year are limited to no more than two percent (2%) (at market) of an investment manager's total equity portfolio.
- e) The total of all investments in securities (stocks, bonds, and cash equivalents) issued by foreign governments or corporations domiciled outside the United States shall not exceed fifteen percent (15%) of the Foundation's total market value.

### 2. Fixed Income Securities

- a) Non-government bonds: Investments in any one issuing corporation shall be limited to two percent (2%) (at market) of the total bond portfolio.
- b) Investments in all corporate fixed income securities shall be limited to those securities rated "Baa2" or higher by Moody's and "BBB" (mid) by Standard & Poor's rating services. -Fixed income securities, which are downgraded below the minimum rating, shall be sold within ten (10) trading days.
- c) The average credit quality of the bond portfolio shall be "A" or higher.
- d) Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to fifteen percent (15%) of the market value of the investment manager's total portfolio and shall be restricted to:
  - (i) Those issues backed by the full faith of the U.S. Government, an Agency thereof, or are rated AAA by a major rating service.
  - (ii) PAC (planned amortization class), NAC (non-accelerated securities) or VADM (very accurately defined maturity) securities.

- e) Investments in Commercial Mortgage-Backed Securities (CMBS) are permitted if the securities are rated AAA by a major rating service.
- f) All short-term obligations (commercial paper and banker's acceptances) shall be rated A-1 and P-1 by Standard & Poor's and Moody's, respectively. Additionally, the issuer's long-term debt rating should be a minimum investment grade of "A-1."
- g) All Repurchase Agreements must follow the Master Repurchase Agreement, which will also be registered with any institution authorized to transact such investments.
- h) Bond duration shall be limited to eighty to one hundred twenty percent (80%-120%) of the fixed income benchmark.

### 3. PROHIBITED INVESTMENTS

- a) Bonds issued by any state or municipality or any other tax-exempt security
- b) Interest only or principal only CMOs
- c) Commodity futures
- d) Short sales
- e) Use of leverage
- f) Futures (excluding commingled funds)
- g) Insurance annuities
- h) Repurchase agreements secured by anything but U.S. Government backed securities
- i) Margin purchase or lending or borrowing money
- j) Options (excluding commingled funds)
- k) Letter stock or private equity placements
- l) Private mortgages
- m) Securities lending (except for commingled funds)
- n) Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism (excluding private real estate)
- o) Securities of the investment manager, the directed trustee/custodian bank, their parent or subsidiaries
- p) Non-Depository Trust Corporation (DTC) eligible securities

## X. COMMUNICATIONS

- A. The custodian bank(s) shall apprise the investment consultant of all transactions and shall forward all proxies to the investment managers within ten calendar days of receipt. -On a monthly basis, the custodian bank(s) shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets. -On a quarterly basis, each investment manager shall provide a written report affirming compliance with the security restrictions of section IX above and a summary of common stock diversification and attendant schedules. -In addition, each investment manager shall deliver every quarter a report detailing account balances and performance, adherence to the investment policy, forecast of the market and economy, and portfolio analysis and characteristics. Written reports shall be delivered to the Finance Committee within 30 days of the end of the quarter. -Manager peer rankings will be made available 45 days after the end of the quarter. The investment managers will provide immediate written and telephone notice to the investment consultant of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in section IX.
- B. Each investment manager will disclose any securities to the investment consultant that are not in compliance with section IX in each quarterly report.
- C. The investment managers will communicate to the Finance Committee and investment consultant all securities that were sold due to a downgrade.
- D. Each equity investment manager shall provide the investment consultant with a proxy voting record annually.
- E. The Finance Committee may retain an investment consultant to evaluate and report on a quarterly basis the investment performance and compliance of the Foundation. Reporting shall include such measurements deemed necessary to comply with GASB investment reporting requirements.
- F. The investment consultant will meet with each investment manager and review performance results, economic outlook, investment strategy tactics, fees, and other pertinent matters affecting the Foundation on an annual basis.
- G. The investment consultant will annually review the “soft dollar” policy and activity of each actively managed portfolio and report its findings to the Finance Committee. -Each investment manager is expected to enter into equity transactions on a best execution basis. The Committee may designate certain brokers by which commissions may be recaptured or provide for the payment of services rendered to the Foundation.
- H. All communications with Committees or the Board ~~of Directors~~ shall be through and in coordination with the Executive Director of the Foundation.

## **XI. SELECTION OF INVESTMENT MANAGERS**

The Executive Committee, with assistance from its investment consultant and on recommendations of the Finance Committee, has the authority to select appropriate investment managers to manage Foundation assets. -Investment managers must be either an investment management company or investment advisor as defined by the Investment Advisors Act of 1940, or an insurance company or a bank, and carry adequate levels of insurance.

## **XII. CRITERIA FOR INVESTMENT MANAGER REVIEW**

The Finance Committee wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made. -Each investment manager will be evaluated by the investment consultant based on the following criteria:

- A.** Four consecutive quarters of the investment performance being below the 50th percentile ranking.
- B.** Standard deviation for the account in excess of one hundred twenty percent (120%) of the assigned benchmark.
- C.** A three or five-year rolling investment return below that of the 50th percentile manager.
- D.** A significant change in professional staff, a large loss or increase in business or changes in ownership or control.
- E.** Any change in fundamental investment philosophy by the investment manager.
- F.** Failure to attain a sixty percent (60%) vote of confidence by the Executive Committee.
- G.** Failure to observe the security quality restrictions in section IX.

Notwithstanding anything herein to the contrary, an investment manager may be replaced at any time and for any reason with the approval of the Executive Committee.

### **XIII. MONITORING OF INVESTMENT MANAGERS AND PERFORMANCE**

Quarterly reports will evaluate the performance of the Foundation portfolio and each investment manager. The Finance Committee understands that the performance of each manager style or category may vary over short-term periods.

From time to time, but no less than quarterly, the Finance Committee will meet to focus on:

- A. Investment managers' adherence to this Investment Policy.
- B. Material changes in an investment manager's organization, investment philosophy or personnel. Such changes must be provided to the Finance Committee in writing.
- C. Comparisons of the investment manager's results to the benchmark and peer group described in section VIII.
- D. The risk associated with each investment manager's portfolio, as measured by the variability of quarterly returns (standard deviation), which should not exceed that of the benchmark index without a corresponding increase in performance above the benchmark index and peer group.

In addition, the Finance Committee will annually focus on each investment manager's performance relative to its peers of like investment style or strategy. Each investment manager is expected to perform in the upper 50th percentile of an appropriate universe over three and five-year periods.

### **XIV. SELECTION OF INVESTMENT CONSULTANT**

The Executive Committee, with recommendations from the Finance Committee, has the authority to select an appropriate investment consultant to manage Foundation assets. The investment consultant must be either an investment management company or investment advisor as defined by the Investment Advisors Act of 1940, or an insurance company or a bank, and provide documentation of adequate levels of insurance annually.

The investment consultant will be selected from a competitive Request for Proposals with criteria for selection recommended by the Finance Committee and approved by the Executive Committee.

## **XV. INVESTMENT CONSULTANT REVIEW, MONITORING AND PERFORMANCE**

From time to time, but no less than annually, the Finance Committee will evaluate:

- A. Investment consultant's enforcement of this Investment Policy.
- B. Material changes in an investment consultant's organization, investment philosophy or personnel.
- C. The selection, review and performance of the investment managers chosen by the investment consultant.
- D. Adequate communication by the investment consultant with the Foundation.

## **XVI. THIRD-PARTY CUSTODIAN BANK AGREEMENTS**

All assets may be held by a third party, and all securities purchased by, and all collateral obtained by, the Finance Committee shall be properly designated as an asset of the Foundation. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to ensure proper settlement of all transactions. Each custodian is required to furnish statements at the end of each month.

## **XVII. INTERNAL CONTROLS**

The Foundation shall be governed by a set of written internal controls and operational procedures, which shall be periodically reviewed by the Foundation's external auditor. -At the time of every financial audit, the auditor shall review the controls that should be designed to prevent loss of funds that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board-of Directors, its committees, or the staff of the Foundation.

Withdrawal of funds from the custody account may not be made without the signatures of the Chair of the Foundation Board and the President of -PHSC. -The Executive Committee must approve all distribution payments and Foundation expenses. -These are listed on Warrants that are subject to approval at Executive Committee or Board-of Directors meetings.

## **XVIII. CONTINUING EDUCATION**

All Finance Committee members are encouraged to attend continuing education seminars concerning matters related to investment and responsibilities of Finance Committee members.

## **XIX. REPORTING**

Following the end of the fiscal year and completion of the financial statements, the Foundation will be provided with a report that shall include a list of investments in the portfolio by class or type. ~~This report shall show the following information on each security: beginning cost, interest or dividends received, gain or loss on sales, ending cost and ending market value.~~

## **XX. FLORIDA STATUTES 518.11**

If at any time, this document is found to be in conflict with section 518.11, Florida Statutes, the Statutes shall prevail.

## **XXI. COMPLIANCE WITH CHAPTER 2023-28, LAWS OF FLORIDA**

The Foundation and its investment managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida., including Sections 215.855 and 287.05701.

- A. **Contracting and external communication requirements:** Manager contracts shall comply with Section 215.855 as follows:

Any written communication made by an investment manager to a company in which such manager invests public funds on behalf of the Foundation must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida.

- B. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must comply with Section 287.05701 as follows:

The Foundation may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. ~~Additionally, the Foundation may not give preference to a vendor based on vendor's social, political, or ideological interests.~~

## **XXII. REVIEW AND AMENDMENTS**

It is the Finance Committee's intention to review this document periodically and to recommend approval to the Executive Committee for amendments to this statement that reflect any changes in philosophy, objectives, or guidelines. In this regard, the investment consultants and investment managers' interest in consistency in these matters is recognized and will be taken into account when changes are being considered. -If at any time the investment consultant or any investment manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance Committee should be notified in writing in accordance with section X. (H). -By initial and continuing acceptance of this Investment Policy Statement, the investment manager concurs with the provisions of this document. -This policy statement will be reviewed and modified, if appropriate, no less than every five years.

## **XXIII. ETHICS AND CONFLICTS OF INTEREST**

Officers, employees, and agents, including, but not limited to investment managers and -the investment consultant, involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program, or impairs their ability to make impartial investment decisions. -They shall disclose any material financial interests that could be related to the performance of the Foundation's investment portfolio. They shall also comply with all applicable Federal and State laws governing ethics and conflict of interest.

Approved: 8/25/2005; 4/23/2009; 3/18/2010; 8/31/2011, 8/29/2012, 04/20/2016, 01/18/2017, 12/04/2017, 9/18/2019, and 4/30/2020

**PASCO-HERNANDO STATE COLLEGE  
FOUNDATION, INC.**

**ATTEST:**

By: \_\_\_\_\_  
As, Chair of the Foundation

By: \_\_\_\_\_  
As, President of PHSC

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**BURGESS CHAMBERS AND ASSOCIATES, INC.**

By:  \_\_\_\_\_  
As, President

Date: \_\_\_\_\_

|

## *Addendum A*

### **RISK DISCLOSURES UNDER GASB 3 and 40**

The Foundation will ~~insure~~ensure the safety of its invested funds by limiting risks as follows:

#### **I. CUSTODIAL CREDIT RISK**

- A. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. ~~-Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:~~ uncollateralized, collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. ~~-Custodial credit risk for deposits will be mitigated by limiting deposits to the amount insured by FDIC per banking institution.~~
- B. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. ~~-Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Foundation, and are held by either: the counterparty of the counterparty's trust department or agent but not in the Foundation's name. -Custodial credit risk for investments will be mitigated by prohibiting as investments those securities that are not eligible for depository trust company holding.~~

#### **II. CREDIT RISK**

A. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. ~~-This is measured by the assignment of a rating by a nationally recognized statistical rating organization. -Credit risk will be mitigated by limiting investments in all corporate fixed income securities to those securities that rate "Baa2" and higher by Moody's and "BBB" (mid) by Standard & Poor's rating services. Fixed income securities, which are downgraded below the minimum rating, shall be sold within ten (10) trading days by the investment manager.~~

#### **III. CONCENTRATION OF CREDIT RISK**

A. This is the risk associated with the ~~total amount of~~ investments the Foundation has with any one issuer that exceed five percent or more of its total investments. ~~-This risk will be mitigated by limiting the amount that can be invested in any one issuer, excluding investments issued or explicitly guaranteed by the U. S. government and investments in mutual funds, external investment pools, and other pooled investments, to not more than five percent 5% (at cost) of an investment manager's equity portfolio. Non-government~~

bonds: investments in any one issuing corporation shall be limited to two percent (-2%) (at cost) of an investment managers' fixed income portfolio.

#### **IV. INTEREST RATE RISK**

**A.** This is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk will be mitigated by:

1. Maintaining significant balances in cash equivalents and other short maturity investments as stated in Addendum B, as changing interest rates have limited impact on these securities prices;
2. Limiting bond duration on fixed investments to 80-120% of the fixed income benchmark.

#### **V. FOREIGN CURRENCY RISK**

**A.** Foreign security values are influenced by currency exchange rates.- This is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The investment policy limits exposure by limiting foreign investment to fifteen percent (15%) of the Foundation assets, and by a prohibition against the use of non-DTC eligible securities.

## ***Addendum B***

### **CASH MANAGEMENT RESERVE**

#### **II. SCOPE OF THIS INVESTMENT POLICY**

This statement of Investment Policy reflects the investment policy, objectives, and constraints of the Pasco-Hernando College Foundation, Inc. (Foundation).

#### **III. CASH INVESTMENT PRINCIPLES**

The Executive Committee under the delegated authority of the Board ~~of Directors~~ of the Foundation is responsible for the cash flow management of the Foundation. This involves receipts of gifts and donations and payments of obligations for operations and program spending.

It is intended that the Foundation will pay its obligations in a timely manner while maximizing return of temporarily unused funds. A cash investment policy will be followed which will protect investments while achieving the goals of the Foundation.

- A. The objective is to preserve principal and earn a reasonable level of income from high quality money market funds and short-term instruments.
- B. The cash management reserve investment policy will be an addendum to the main investment policy.
- C. All cash, including checking accounts, should be in interest-bearing accounts and shall follow established Foundation procedures.

#### **III. CASH INVESTMENT PERMITTED INVESTMENTS**

A. Cash accounts will be made up of the following:

- 1. Demand deposit account (checking)
- 2. Money market instruments
- 3. Cash management reserve (CMR) (an investment account with short-term maturities limited to one year)

**Pasco-Hernando State College Foundation, Inc.**  
**Project Activity Report**  
**12/31/2022**  
**Unused Projects**

Project ID	Type	Purpose	Project Description	Documentation	Last used	Notes	Actions
1008	U	P	Spring Hill	Yes	N/A	Sale of Spring Hill Campus Property owned by the Foundation	This is being held as potential matching funds.
1018	R	P	Honorary Coaches Program	RE Info	5/5/2017	Athletics	Spoke with Bob Bade - Changed this to the Honorary 1st Pitch VIP Fund budgeted for 2025
1019	R	P	Brooke Gonzalez Softball Fund	Yes	N/A	Athletics	Met with Bob Bade & Steve Winterling to come up with a plan. Funding was used in the fall.
1040	E	P	General PHSC Use	No	N/A	Endowment	Reviewed with AB - Funding was used in the fall.
1546	R	S	CenterState Bank Nursing Scholarship	No	N/A	A match for the Roy T. and Martha B. Hardy Nursing Scholarship; hence, these funds will be awarded in the manner outlined within the Roy T. and Martha B. Hardy Scholarship Fund	Began awarding in fall of 2023
1554	R	S	Gordon H and Marie Matheny Scholarship	Yes	6/5/2018	1. Must have attended the PHCC Preparation GED program and earned a GED or Attended Pasco County Schools Underage and Dropout Prevention and earned a GED. 2. Full-time and/or part-time. 3. First Generation in College. 4. Resident of Pasco or Hernando Counties. 5. U.S. citizen. 6. Demonstrate financial need. 7. For tuition only, or can be used for fees, books, and laptops	Will be used for First Generation Matching gift match for 25-26 AY.
1555	R	S	Andrew C. and June E. Balog Scholarship	Yes	6/5/2018	1. Must have attended the PHCC Preparation GED program and earned a GED or Attended Pasco County Schools Underage and Dropout Prevention and earned a GED. 2. Full-time and/or part-time. 3. First Generation in College. 4. Resident of Pasco or Hernando Counties. 5. U.S. citizen. 6. Demonstrate financial need. 7. For tuition only, or can be used for fees, books, and laptops	Will be used for First Generation Matching gift match for 25-26 AY.
1624	E	S	PHSC Athletic	No	N/A	Funds from Golf Outings/Unendow??	Release approved by Board in January - Combined with Tennis Court Fund and used in the Fall
1672	E	S	Wings Level Aviation Endowed Scholarship	Yes	N/A		Began awarding in 2023
1732	R	S	Bob Bade Scholarship	Yes	N/A		Received Fund agreement and began awarding in 2024
1797	E	S	Suncoast Health & Education Foundation Scholarship	Yes	N/A	1.Must be an incoming first year student having just immediately graduated or will be graduating from high school during the year of application to PHSC 2. Minimum overall high school GPA 3.73. Must have completed at minimum 100 hours of volunteer service at Regional Medical Center Bayonet Point, Hudson, FL	No Candidates. Michelle Bullwinkle will request a meeting with the donor to discuss criteria.
1846	R	S	The Adel Bakhos Memorial Scholarship	Yes	N/A		Began awarding in 2023
1962	R	S	President's Institute Engaged in Service Fund	Yes	N/A	To be used for application & graduation fees	Changed criteria to veteran scholarships. Awarded in 2024.
2050	E	S	Fraternal Order of Police Pasco Sheriff's Lodge #29	Yes	12/4/2019	Law enforcement or CJS program; Pasco County or Dade City resident.	Not Budgeted yet. Low balance.
2060	E	S	L. C. Hawes, Sr., Methodist Church	Yes	11/19/2018	No other scholarships; upper 30%; degree-seeking, ministry; 1st United Methodist Church, Dade City.	Budgeted to award but criteria is very restrictive. May need to meet with donor.
2301	E	S	Coach Norm Pingley Scholarship	Yes	N/A	1. The applicant must be a graduate of Hernando High School (Br	The 2nd criterion has been removed from the fund agreement. We should be able to begin awarding soon.
7008	E	P	PHSC Staff & Faculty SPD	No	10/11/2018	No Documentation - Staff & Program Development	Reviewed with AB - Emailed Teresa Montanez and budgeted \$1,000. Will alternate with #7009.
7009	E	P	Theresa Henninger	Yes	N/A	Staff & Program Development	\$1,000 budgeted under HR for Staff & Program Development. Will alternate with #7008.
7017	E	S	Schneider, Robin & Gerard Endowed Scholarship	Yes	N/A	1. Resident of Pasco or Hernando County 2. Enrolled full-time or part-time 3. Preference given to students with financial need	Budgeted to award for 23-24
7018	E	S	Marilyn Pearson-Adams Endowed Scholarship	Yes	N/A	1. Hernando County Resident 2. Enrolled full or part time 3. Based on Financial need with a 3.2 CPA or higher	Budgeted to award for 25-26
7027	E	S	Nancy & John Ruffer Endowed Scholarship	Yes	N/A		Began awarding in 2023
7028	E	S	Geraldine E. Bishop Memorial Scholarship	Yes	N/A	1. The recipient exhibit financial need 2. The recipient have a minimum 2.5 cumulative GPA 3. The scholarship be provided to a full or part time student enrolled in any of the law related programs at PHCC (for ex: law enforcement academy, paralegal program, corrections officer program etc.)	Budgeted to award for 23-24

7029	E	S	Dr. Muralidhar K. Acharya/Hardy Nursing Sch Fund	Yes	N/A	A match for the Roy T. and Martha B. Hardy Nursing Scholarship; hence, these funds will be awarded in the manner outlined within the Roy T. and Martha B. Hardy Scholarship Fund	Budgeted to award for 25-26
7040	E	S	Cheryl Vaughn Elliott Memorial Nursing Scholarship	Yes	N/A	1. Resident of Hernando County 2. Graduate of a Hernando County High School, 3. GPA of 3.0 4. Associate in Science in Nursing degree 5. Based upon financial need 6. Open to students of ethnic minorities with preference to African American students	Endowment is no longer underwater and will be awarded in 25-26
7120	R	S	JPMorgan Chase Pathways to Student Success Scholarship Prog	Yes	N/A		Awarded \$10,000 in 2024.
7125	E	S	Deputy Conor Schmelter Memorial Scholarship	Yes	N/A	Underwater	Endowment is no longer underwater and will be awarded in 25-26
7248	R	P	V. P. Porter Campus at Wiregrass Ranch	Yes	12/31/2017	Earth Day, Kids Fair, Gallery	Dr. Jones has left the College. I will work with the new Provost to use these funds.
8011	R	P	Tennis Courts	Yes	N/A	Nets for East Campus Tennis Courts	Funds used for Tennis Court renderings. There is a balance left of \$282.04.
8012	R	P	Alma Mater Song	No	N/A	No Documentation	Emailed Lauran Murray & Dr. Thompson - they will work on a new song.
8016	R	P	Leota McClellan Loan Fund	Yes	N/A	This is to be used as a student loan fund and preference be given to students in, preparing for, or contemplating nurses training.	Reviewed with AB and decided we will see if there are any living relatives and then use the funding for a purpose as close to the original intent as possible.
8020	E	P	Library Development Fund	Yes	N/A	Established in 1988 for the purchase of Library Books & Materials for the West Campus Library	The Mckethan Library Fund has been being used for Library needs. I will begin alternating the funding source.
8024	E	P	Museum Fund	Yes	6/30/2019	Land set aside to build a museum on West Campus	Reviewed with AB and decided we will request permission to give the funds to the West Pasco Historical Society for the West Pasco Museum.
8025	E	P	Bv. Women's Club Kinner	Yes	N/A	North Campus Library	Budgeted under Ingrid Purrenhage \$400 for 2025
8026	E	P	Rosenquist Fund	Yes	N/A	Visual Arts Program	I was told this is Workforce Development - Trying to determine a use for these funds.
8027	E	P	Glen Dill Historical Coll	Yes	N/A	Established in 1985 for the upkeep of Florida History Collection Donation in West Campus Library	Reviewed with AB - Collection was given to USF in 2007. Can be used to create a new Florida History Collection in the Library with information on Glen Dill and the USF archives material. Funds used in 2024.
8028	E	P	Ellen Geilhufe Museum	Yes	N/A	Can be used for Library & Museum Development	Need to budget under Ingrid Purrenhage for Library use. Amount is very small.
8032	R	P	American Flag	X	N/A	To use to purchase American Flags	Steve Wasilevsky to purchase flags for the College
8035	R	CF	Campus Construction and Renovation Projects	No	N/A	No Documentation/Payroll Deductions	Give Funds to College for Construction Projects. To be used in 2025
8038	R	P	Student Activities Fund	No	N/A	No Documentation	Release approved by Board in January - Combined with Tennis Court Fund and used in the Fall
8039	R	P	Fallen Officers Memorial	No	N/A	No Documentation - gift given by Sherriff Nocco	East Campus is working on installing this memorial for 2025.
8050	R	P	Nursing/Med. Misc.	Yes	N/A	1989 Nursing Education Challenge Grant Fund for Community Colleges 1. Private contributions to be matched have been received and deposited by the Foundation in its own fund 2. Private contributions to be matched have not been and will not be used for other state matching programs 3. The DBOT and Foundation have determined a use for the proceeds in the fund in accordance and intent of the law	Use for nursing needs
8052	E	P	SPD Nursing	No	N/A	No Documentation	Use for nursing needs
8065	E	P	Hospital Partnership Endowment	Yes	N/A	According to the contract with the hospitals, any proceeds over and above the cost of the sponsorships is to be endowed. Earnings from the endowment are to be used for the nursing program. MTG	\$30,000 Budgeted under Billie Gabbard for Nursing Professional Development in 2025.
8101	E	P	Theater Guild	No	N/A	No Documentation	Reviewed with AB - Endowment is too small. Request permission to combine with the Theater Fund Endowment #8100.
8103	E	P	Cultural Events	No	N/A	No Documentation	Reviewed with AB - Funds used in 2024. Lauren Murray budget \$3,000 for 2025
8104	E	P	Theater Seats	No	N/A	There is no designation for these funds. There are only letters stating they will be used to purchase an engraved name plate.	Reviewed with AB - Endowment is too small. Request permission to combine with the Theater Fund Endowment #8100.
8214	R	P	Pharmacy Tech Program	Yes	N/A	Donation by Jayne Snyder - Program is closed	Donor gave permission to use for Nursing Institute. The funds were moved to Project #8050.
8215	R	P	Literacy Programs	Yes	N/A	Donation from the Tampa Bay Lighting - We do not have literacy program	Literacy books were purchased by the Library. Funds have all been used.

33 Action Taken  
15 Action Needed  
48 Total Projects

LAST WILL AND TESTAMENT

OF

LEOTA F. McCLELLAN

I, LEOTA F. McCLELLAN, a legal resident of the State of Florida domiciled in Pasco County, do hereby make, publish, and declare this to be my Last Will and Testament, revoking all former Wills and Codicils heretofore made by me.

FIRST: I direct my Personal Representative, hereinafter named, to pay all of my just debts, my funeral expenses, and the costs of the administration of my estate from my estate. I further direct that my Personal Representative pay out of my residuary estate all estate, inheritance, succession, or other taxes, as well as any penalties thereon, assessed by reason of my death with regard to all property and assets subject to such taxes, whether such property and assets pass under this Will and whether or not such taxes would be payable by any recipient or beneficiary or possessor of said property.

SECOND: I give and devise the sum of TEN THOUSAND DOLLARS (\$10,000.00) to my friend, JANET TODD, currently residing on Anchor Way, New Port Richey, FL, provided that she survives me, or in the event she predeceases me, then this devise shall lapse and become a part of my residuary estate.

THIRD: I give and devise the sum of TEN THOUSAND DOLLARS (\$10,000.00) to the UNITED METHODIST CHURCH in Coldwater, Michigan. It is my request that this devise be used in the Building Fund and be held and managed by the property authorities for use from time to time for the maintenance, renovating, remodeling or addition to its buildings.

FOURTH: I give and devise the sum of TEN THOUSAND DOLLARS (\$10,000.00) to the TIBBETS OPERA FOUNDATION, INC., (a non-profit corporation) of Coldwater, Michigan.

FIFTH: I give and devise the sum of TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) to PASCO-HERNANDO COMMUNITY COLLEGE FOUNDATION, INC. It is my request that this devise be held and managed as a Student Loan Fund and that preference be given to students in, preparing for, or contemplating nurses training.

# *A Dream Come True*

On the beautiful West Campus of Pasco-Hernando Community College, Moon Lake Road, New Port Richey, land has been set aside to build a Museum.

You can lend support through a minimum membership of \$5.00. All individuals and organizations in the area are being asked to assist in this worthwhile project. We need a West Pasco Museum.

Your donation will be put to good usage. Through the efforts of local residents, it is envisioned that a museum can be built within the next two years.

We hope you will join us and contribute with enthusiasm. Remember, it is tax deductible through the Pasco-Hernando Community College Foundation.

Please complete the information on the following page. Newsletters and other activities are planned to keep you informed.



## MEMBERSHIP IN THE FRIENDS OF THE WEST PASCO MUSEUM

Name Louis Colello

Address 88 Gulfway, Sea Pines

City Hudson, FL 33568

Organization  
Represented [if any] \_\_\_\_\_

Amount of Donation \$100.00

Date of Contribution 7/21/77

Received by Albert W. SigTune

If contribution is made by check,  
please make payable to:

**Friends of the West Pasco Museum**  
2401 State Highway 41, North  
Dade City, Florida 33525  
Phone 904/567-6701

# Pasco-Hernando State College Foundation, Inc.

## Unrestricted Net Assets

As of December 31, 2024

Project ID	Project Description	Beginning Balance	Net Change	Ending Balance
<b>Foundation Funds</b>				
0100	Theater	\$193,031.29	\$1,584.48	\$194,615.77
1121	Fishing Tournament	\$101,321.61	\$0.00	\$101,321.61
1122	Golf Tournament	\$319,630.26	(\$10,000.00)	\$309,630.26
1124	50th Anniversary Coin	\$1,711.02	(\$1,711.02)	\$0.00
1128	Cornhole Tournament	\$4,898.41	\$0.00	\$4,898.41
1145	President's Investiture	\$0.00	\$878.78	\$878.78
1535	Friends of the Foundation Fund	\$75,106.70	(\$47,747.62)	\$27,359.08
<b>Totals:</b>		<b>\$695,699.29</b>	<b>(\$56,995.38)</b>	<b>\$638,703.91</b>
<b>For Campaign &amp; Two Foundation Positions</b>				
1160	Administrative Assessment	<b>\$2,087,328.48</b>	<b>\$451,541.51</b>	<b>\$2,538,869.99</b>
<b>Available for Foundation or College</b>				
1003	Lifetime Fellows	\$164,433.48	\$21,454.99	\$185,888.47
1008	Spring Hill	\$636,035.43	\$0.00	\$636,035.43
1147	Hess, Mary Ann	\$657,449.41	\$69,891.94	\$727,341.35
<b>Totals:</b>		<b>\$1,457,918.32</b>	<b>\$91,346.93</b>	<b>\$1,549,265.25</b>
<b>Non-liquid Assets</b>				
1005	Mineral Rights	\$0.50	\$0.00	\$0.50
1102	Coxe Paintings	\$18,280.00	\$0.00	\$18,280.00
1103	Hoffman Exhibit	\$31,500.00	\$0.00	\$31,500.00
1104	Gifts of Property	\$5,900.00	\$0.00	\$5,900.00
1106	James L. Singer Paintings	\$38.00	\$0.00	\$38.00
1110	Tangible Gifts	\$575.00	\$0.00	\$575.00
1549	Community Foundation of Tampa Bay	\$13,063.06	\$3,834.70	\$16,897.76
<b>Totals:</b>		<b>\$69,356.56</b>	<b>\$3,834.70</b>	<b>\$73,191.26</b>
<b>Total Unrestricted Assets</b>		<b>\$4,310,302.65</b>	<b>\$489,727.76</b>	<b>\$4,800,030.41</b>

# **Burgess Chambers & Associates, Inc.**

**315 E. Robinson Street, Suite 690  
Orlando, FL 32801**

**Telephone: (407) 644-0111  
Facsimile: (407) 644-0694**

**[www.burgesschambers.com](http://www.burgesschambers.com)**

**March 26, 2025**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Burgess Chambers & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (407) 644-0111 or via e-mail at [info@burgesschambers.com](mailto:info@burgesschambers.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Burgess Chambers & Associates, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Burgess Chambers & Associates, Inc. is 110164.

Burgess Chambers & Associates, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 26, 2024 we have made no Material Changes to our Brochure.

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## Item 4 Advisory Business

### Description of Services and Fees

Burgess Chambers & Associates, Inc. (BCA) is a registered investment adviser based in Orlando, Florida. The firm is organized as a corporation under the laws of the State of Florida and has been providing investment consulting services since 1988. Burgess B. Chambers is the principal owner.

- **Consulting Services**
- **Recommendation of Portfolio Managers (PM)**
- **Discretionary Portfolio Management**

The following paragraphs describe our services and fees. Please refer to the description of each investment consulting service listed below for information on how we tailor our consulting services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Burgess Chambers & Associates, Inc. (BCA) and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Consulting Services

We specialize in institutional investment consulting. We focus on directing risk controlled investment programs for operating funds, pension assets, endowments and foundations, and individuals. Initially, we identify your return and risk objectives. The appropriate asset classes are then determined to achieve those objectives. The optimal asset allocation is developed utilizing mean variance models to achieve an expected rate of return and make recommendations accordingly. We then prepare an Investment Policy Statement in conjunction with you and based on any limitations you set or that are required by law.

We utilize both third party and internal databases to search for suitable portfolio managers. We undertake subjective due diligence on each manager and each manager's performance is evaluated and often back-tested against various combinations of other managers that represent the total mix of asset classes. The optimal correlation and manager combination is then created to provide an expected rate of return with a suitable level of risk.

Client portfolios are monitored and evaluated each quarter. In addition, portfolios are reviewed quarterly for investment policy statement compliance. Each manager is held accountable to the investment policy statement. Portfolio characteristics are measured on a quarterly basis, as well as peer group rankings and style drift. Any significant changes in the management team or structure are reported to the client.

You may terminate BCA's consultant agreement upon 30-days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur consulting fees only in proportion to the number of days in the quarter for which you are a client.

### **Recommendation of Portfolio Managers**

As part of our investment consulting services, we recommend that you use the services of Portfolio Manager(s) ("PM") to manage your investment portfolio. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the PM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the PM's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

Typically, portfolio manager recommendations and portfolio manager searches are included in our fee. However, in certain situations additional fees may be charged as agreed upon. We will not share in the advisory fee you pay directly to the PM. Advisory fees that you pay to the PM are established and payable in accordance with the Form ADV Part 2A or other equivalent disclosure documents provided by each PM who you retain. These fees may or may not be negotiable. You should review the recommended PM's brochure or prospectus for information on its fees and services.

You may be required to sign an agreement directly with the recommended PM(s). You may terminate your advisory relationship with the PM according to the terms of your agreement with the PM. You should review each PM's brochure or prospectus for specific information on how you may terminate your advisory relationship with the PM and how you may receive a refund, if applicable. You should contact the PM directly for questions regarding your advisory agreement.

### **Advisory Services to Retirement Plans**

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed with our firm. Our compensation for these services is described below, at Item 5, and also in the service agreement. We may, with consent of the Plan, and in accordance with Plan documents, bill out-of-pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. If we were to receive any other compensation for such services, we would (i) offset the compensation against our stated fees, and (ii) promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan and Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940 and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, and/or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

### **Discretionary Portfolio Management**

As an alternative to recommending you to third party Portfolio Managers, we offer discretionary portfolio management services. Upon creating the investment policy statement, you may authorize us to take discretion to manage your account. Discretionary authorization will allow us to determine the

specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing which will be incorporated into the investment policy statement.

### **Types of Investments**

We offer advice on asset allocation which may include information on equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, private real estate, real estate partnerships, private credit, private equity, convertibles and other asset classes that may be appropriate in meeting client objectives.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Managed and Advised Assets**

As of December 31, 2024, our approximate assets consisted of the following:

#### **Approximate Assets as of 12/31/2024**

Discretionary <sup>1</sup>	\$ 166,673,813
Assets Under Advisement <sup>2</sup>	\$7,890,349,412
<b>Total</b>	<b>\$8,057,023,225</b>

[1] This is equivalent to the regulatory assets under management disclosed in Item 5.F of Adviser's Form ADV Part 1A. Please note that Burgess Chambers and Associates, Inc. has no non-discretionary regulatory assets under management. All its non-discretionary assets are assets under advisement as further explained below.

[2] Assets Under Advisement represent our Pension Consulting assets, for which we have neither discretionary authority nor responsibility for arranging or effecting the purchase or sale of recommendations provided to and accepted by the ultimate client. We simply provide recommendations. Inclusion of these assets causes the amount of our total assets to differ from our Regulatory Assets Under Management (disclosed in Item 5.F of Adviser's Form ADV Part 1A) due to the specific calculation instructions for Regulatory Assets Under Management.

## Item 5 Fees and Compensation

Our compensation for non-discretionary account services is calculated and paid quarterly based on the market value of the assets. Alternatively, some clients are charged a flat fixed quarterly fee. Our fee arrangements with clients are negotiated during the contract process and are dependent upon the complexity and scope of the services required and your objectives. Compensation is payable in arrears following the end of each quarter.

Our compensation for discretionary account services is calculated and paid monthly based on the market value of the assets. Our fee arrangements with clients are negotiated during the contract process. Compensation is payable in arrears following the end of each month.

### Additional Fees and Expenses

As part of our investment consulting services to you, we may recommend that you invest in mutual funds and exchange traded funds. The fees that you pay to our firm for investment consulting services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. The broker-dealer or custodian through whom your account transactions are executed typically imposes these charges and fees. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

## Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer discretionary and non-discretionary consulting and advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business and governmental entities.

BCA does not have a minimum account size requirement.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

### **Our Methods of Analysis and Investment Strategies**

We recommend asset allocation strategies and Portfolio Managers that we believe will meet specific objectives rather than recommending specific securities. The Portfolio Managers (PM) will perform the actual security analysis.

BCA's recommendations may vary depending upon each client's specific financial situation and the limitations imposed by the client or applicable law. As such, we determine allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We do not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or portfolio managers. We may recommend replacing the PM if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we recommend that you consult with a tax professional prior to and throughout the investing of your assets.

### **Risk of Loss**

Investing involves risk of loss. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we offer advice on various asset classes and Portfolio Managers that may include information on; equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, real estate, convertibles and other asset classes that may be appropriate in meeting client objectives. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

### Recommendation of Other Advisers

We may recommend that you use a Portfolio Manager ("PM") based on your needs and suitability. We do not receive compensation from the PM for recommending that you use their services. You are not obligated, contractually or otherwise, to use the services of any PM we recommend.

## Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment consulting services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

For discretionary accounts, we use the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Schwab provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Schwab, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services Schwab provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Research and Other Soft Dollar Benefits**

We do not receive any soft dollar benefits from any broker-dealers.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

For discretionary accounts where we execute trades, we routinely require that clients direct our firm to execute transactions through Schwab Advisor Services. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") because we typically invest solely in Mutual Funds, CTFs, ETFs and other securities that do not trade in blocks.

## **Item 13 Review of Accounts**

We will monitor your accounts on a periodic basis and will conduct account reviews utilizing a team approach at least annually. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals
- market moving events
- security specific events, and/or
- changes in your risk/return objectives
- asset rebalancing recommendations
- new asset classes
- Portfolio Manager (PM) searches

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information including account performance and compliance monitoring.

## **Item 14 Client Referrals and Other Compensation**

We do not receive any compensation from any third party in connection with providing investment consulting advice to you nor do we compensate any individual or firm for client referrals.

## **Item 15 Custody**

For non-discretionary accounts we do not directly debit consulting fees from your account and we do not exercise custody over your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian.

For accounts over which we exercise discretionary authority, your independent custodian will directly debit your account(s) for the payment of our advisory fees. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held at Schwab Advisor Services. You will receive account statements from Schwab Investor Services at least quarterly. The account statements from Schwab Advisor Services will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

BCA does not vote proxies on behalf of its clients.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required by law to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

# **Burgess Chambers & Associates, Inc.**

## **Privacy Policy Notice**

### **Policy**

As a registered investment adviser, BCA must comply with SEC Regulation S-P (or other applicable regulations), which requires registered advisers to adopt policies and procedures to protect the "nonpublic personal information" of natural person consumers and customers and to disclose to such persons policies and procedures for protecting that information. Nonpublic personal information includes nonpublic "personally identifiable financial information" plus any list, description or grouping of customers that is derived from nonpublic personally identifiable financial information. Such information may include personal financial and account information, information relating to services performed for or transactions entered into on behalf of clients, advice provided by BCA to clients, and data or analyses derived from such nonpublic personal information. BCA must also comply with the California Financial Information Privacy Act (SB1) if the firm does business with California consumers.

### **Background**

The purpose of these privacy policies and procedures is to provide administrative, technical and physical safeguards which assist employees in maintaining the confidentiality of nonpublic personal information collected from the consumers and customers of an investment adviser. All nonpublic information, whether relating to an adviser's current or former clients, is subject to these privacy policies and procedures. Any doubts about the confidentiality of client information must be resolved in favor of confidentiality.

### **Responsibility**

The Chief Compliance Officer is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting BCA's client privacy goals and objectives while at a minimum ensuring compliance with applicable federal and state laws and regulations. The Chief Compliance Officer may recommend to the President any disciplinary or other action as appropriate. The Chief Compliance Officer is also responsible for distributing these policies and procedures to advisory professionals and staff members and conducting appropriate training to ensure adherence to these policies and procedures.

### **Procedure**

BCA has adopted various procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

BCA maintains safeguards to comply with federal and state standards to guard each client's nonpublic personal information. BCA does not share any nonpublic personal information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over BCA, or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Advisory Professionals and staff members are prohibited, either during or after termination of their relationship with BCA, from disclosing nonpublic personal information to any person or entity outside BCA, including family members, except under the circumstances described above. An advisory professional or staff member is permitted to disclose nonpublic personal information only to such other advisory professionals or staff members who need to have access to such information to deliver our services to the client.

### ***Safeguarding and Disposal of Client Information***

BCA restricts access to nonpublic personal information to those advisory professionals and staff members who need to know such information to provide services to our clients.

Any advisory professional or staff member who is authorized to have access to nonpublic personal information is required to keep such information in a secure compartment or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Any conversations involving non public personal information, if appropriate at all, must be conducted by advisory professional or staff member in private, and care must be taken to avoid any unauthorized persons overhearing or intercepting such conversations.

Safeguarding standards encompass all aspects of BCA that affect security. This includes not just computer security standards but also such areas as physical security and personnel procedures. Examples of important safeguarding standards that BCA may adopt include:

- Access controls on client information systems, including controls to authenticate and permit access only to authorized individuals and controls to prevent advisory professionals and staff members from providing client information to unauthorized individuals who may seek to obtain this information through fraudulent means (e.g. requiring advisory professional and staff member use of user ID numbers and passwords, etc.);
- Access restrictions at physical locations containing client information, such as buildings, computer facilities, and records storage facilities to permit access only to authorized individuals (e.g. intruder detection devices, use of fire and burglar resistant storage devices);
- Encryption of electronic client information, including while in transit or in storage on networks or systems to which unauthorized individuals may have access;
- Procedures designed to ensure that customer information system modifications are consistent with the firm's information security program(e.g. independent approval and periodic audits of system modifications);
- Dual control procedures, segregation of duties, and advisory professional and staff member background checks for advisory professionals and staff members with responsibilities for or access to client information (e.g. require data entry to be reviewed for accuracy by personnel not involved in its preparation; adjustments and correction of master records should be reviewed and approved by personnel other than those approving routine transactions, etc.);
- Monitoring systems and procedures to detect actual and attempted attacks on or intrusions into client information systems (e.g. data should be auditable for detection of loss and accidental and intentional manipulation);
- Response programs that specify actions to be taken when the firm suspects or detects that unauthorized individuals have gained access to client information systems, including appropriate reports to regulatory and law enforcement agencies;
- Measures to protect against destruction, loss, or damage of client information due to potential environmental hazards, such as fire and water damage or technological failures (e.g. use of fire resistant storage facilities and vaults; backup and store off site key data to ensure proper recovery); and
- Information systems security should incorporate system audits and monitoring, security of

physical facilities and personnel, the use of commercial or in-house services (such as networking services), and contingency planning.

- Any advisory professional or staff member who is authorized to possess "client report information" for a business purpose is required to take reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal.

There are several components to establishing 'reasonable' measures that are appropriate for the firm:

- Assessing the sensitivity of the client report information we collect;
- The nature of our advisory services and the size of our operation;
- Evaluating the costs and benefits of different disposal methods; and
- Researching relevant technological changes and capabilities.

Some methods of disposal to ensure that the information cannot practicably be read or reconstructed that BCA may adopt include:

- Procedures requiring the burning, pulverizing, or shredding of papers containing client report information;
- Procedures to ensure the destruction or erasure of electronic media; and
- After due diligence, contracting with a service provider engaged in the business of record destruction, to provide such services in a manner consistent with the disposal rule.

### ***Privacy Notices***

BCA will provide each client with initial notice of the firm's current policy when the client relationship is established.