**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**PARS Post-Employment Benefits Trust**  
**6/1/2019 to 6/30/2019**

Jose Torres  
Vice Chancellor, Business & Fiscal Services  
San Bernardino Community College District  
114 South Del Rosa Drive  
San Bernardino, CA 92408

### Account Summary

<table>
<thead>
<tr>
<th>Source</th>
<th>Beginning Balance as of 6/1/2019</th>
<th>Contributions</th>
<th>Earnings</th>
<th>Expenses</th>
<th>Distributions</th>
<th>Transfers</th>
<th>Ending Balance as of 6/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>PENSION - SBVC</td>
<td>$5,208,569.91</td>
<td>$0.00</td>
<td>$158,145.77</td>
<td>$642.83</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$5,366,072.85</td>
</tr>
<tr>
<td>PENSION - KVCR</td>
<td>$21,875,993.72</td>
<td>$0.00</td>
<td>$664,212.25</td>
<td>$2,699.88</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$22,537,506.09</td>
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<tr>
<td>PENSION - FCC</td>
<td>$50,876,418.18</td>
<td>$0.00</td>
<td>$1,544,740.81</td>
<td>$6,279.04</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$52,414,879.95</td>
</tr>
</tbody>
</table>

**Totals**  
$77,960,981.81 - $0.00 - $2,367,098.83 - $9,621.75 - $0.00 - $0.00 - $80,318,458.89

### Investment Selection

- **PENSION - SBVC**: Vanguard Conservative Strategy  
- **PENSION - KVCR**: Vanguard Conservative Strategy  
- **PENSION - FCC**: Vanguard Conservative Strategy

### Investment Objective

- **PENSION - SBVC**: The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.  
- **PENSION - KVCR**: The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.  
- **PENSION - FCC**: The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.

### Investment Return

<table>
<thead>
<tr>
<th>Source</th>
<th>1-Month</th>
<th>3-Months</th>
<th>1-Year</th>
<th>3-Years</th>
<th>5-Years</th>
<th>10-Years</th>
<th>Plan's Inception Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>PENSION - SBVC</td>
<td>3.04%</td>
<td>3.08%</td>
<td>7.39%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6/22/2018</td>
</tr>
<tr>
<td>PENSION - KVCR</td>
<td>3.04%</td>
<td>3.08%</td>
<td>7.39%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6/22/2018</td>
</tr>
<tr>
<td>PENSION - FCC</td>
<td>3.04%</td>
<td>3.08%</td>
<td>7.39%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6/22/2018</td>
</tr>
</tbody>
</table>

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change. Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return. Account balances are inclusive of Trust Administration, Trustee and Investment Management fees.
### Account Summary

<table>
<thead>
<tr>
<th>Source</th>
<th>Beginning Balance as of 7/1/2018</th>
<th>Contributions</th>
<th>Earnings</th>
<th>Expenses</th>
<th>Distributions</th>
<th>Transfers</th>
<th>Ending Balance as of 6/30/2019</th>
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<tbody>
<tr>
<td>PENSION - SBVC</td>
<td>$5,004,869.46</td>
<td>$0.00</td>
<td>$368,783.87</td>
<td>$7,580.48</td>
<td>$0.00</td>
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<td>$5,366,072.85</td>
</tr>
<tr>
<td>PENSION - KVCR</td>
<td>$21,020,451.74</td>
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<td>$1,548,892.35</td>
<td>$31,838.00</td>
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<td>$22,537,506.09</td>
</tr>
<tr>
<td>PENSION - FCC</td>
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<td>$39,579.74</td>
<td>$0.00</td>
<td>$25,875,282.69</td>
<td>$52,414,879.95</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$50,048,694.62</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$4,473,479.80</strong></td>
<td><strong>$78,998.22</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$25,875,282.69</strong></td>
<td><strong>$80,318,458.89</strong></td>
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<tr>
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<th>3-Months</th>
<th>1-Year</th>
<th>Annualized Return</th>
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<td></td>
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<td></td>
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TO: Board of Trustees
FROM: Bruce Baron, Chancellor
REVIEWED BY: Bruce Baron, Chancellor
PREPARED BY: Jose F. Torres, Executive Vice Chancellor
DATE: August 8, 2019
SUBJECT: Consideration of Approval to Establish an Additional Account for the Empire Network Endowment Investment

RECOMMENDATION

It is recommended that the Board of Trustees direct staff to establish an additional PARS Pension Rate Stabilization Trust (PRST) account for the Empire Network Endowment investment in order to separate the current investment into two accounts.

OVERVIEW

In July 2017 SBCCD received $157 million in FCC Auction Proceeds in exchange for the transition of KVCR TV from UHF to VHF. On January 10, 2019, the Board approved allocation of the remaining funds, along with the use of projected annual income for each.

Among the allocations is a $21,000,000 endowment for the Empire Network, which is comprised of three major operations – KVCR TV, Radio, and FNX. Based on the needs of the three operations, KVCR will be allocating 57.14% to support Radio and TV and 42.86% to support FNX from the interest earned by the endowment. This is equivalent to $12 million to benefit Radio and TV and $9 million to benefit FNX.

ANALYSIS

In order to properly segregate the endowment returns, staff is recommending the establishment of two separate accounts for this investment instead of one, as it is currently invested.

INSTITUTIONAL VALUES

III. Resource Management for Efficiency, Effectiveness and Excellence

FINANCIAL IMPLICATIONS

There are no financial implications associated with this Board item.