

NWF Foundation Finance Committee Meeting
November 13, 2018 8:00 a.m.
Room 301, Student Services Center

Members Present:

Eric Aden
Bo Arnold
Wayne Campbell

Don Litke
Jonathan Ochs
J.D. Peacock

Staff Present:

Serena Brown
Cristie Kedroski
Jason Masters

Carla Reinlie
Annie Young

Others Present:

Shane O'Dell

Ray McGovern

Absent:

Chad Hamilton, Walter Hooks, Dennis Peters, Devin Stephenson, Steve Wills, Dewayne Youngblood

Call to Order:

Mr. Peacock called the meeting to order at 8:00 a.m.

Approval of Committee Meeting Minutes:

The minutes of the September 19, 2018 committee meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Dr. Arnold. Motion carried unanimously.**

Review and Approval of October 31, 2018 Financials:

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of October 31, 2018. Total assets are \$49,931,850 and Total Liabilities are \$0, bringing the Total Fund Balance to \$49,931,850. The Statement of Activities reflected \$226,458 in Revenues and \$1,676,990 in Expenditures for a total Net decrease in Fund balance of (\$1,450,532). Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$45,620,137, allocated as 3.42% Cash & Cash Equivalents, 61.60% Equity, 11.67% Alternative Investments and 23.31% Fixed Income. Ms. Brown noted that part of the net decrease to the Merrill Lynch EMA account was due to a disbursement of annual funds being sent over to the college. **Motion to approve financials, Dr. Arnold; Second, Mr. Campbell. Motion carried unanimously.**

Approval of Checks over \$5000:

Ms. Brown also presented a listing of checks over \$5,000 from September 1 – October 31, 2018 for the committee to review. She then pointed out checks of significance. **Motion to approve checks over \$5000, Maj Gen Litke; Second, Mr. Campbell. Motion carried unanimously.**

Investment Report by the McGovern, O'Dell & Associates / Merrill Lynch:

Mr. McGovern presented a portfolio review as of November 12, 2018. In the past twelve months, the total portfolio is up 2.55%. Current holdings stand at 64.49% in equity, 20.15% in fixed income, 3.61% in cash and 11.75% in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$37,473,625 as of October 31, 2018. The total Blackrock portfolio is down (0.18) % year to date but up 7.72 % since inception on February 26, 2013. Mr. McGovern noted the

month of October has been tough on economy. He also noted that the unemployment rate is at its lowest in 40 years and then explained the effect the federal fund rate adjustments have played on the economy. He also touched upon the Foundation's investment portfolio and noted that the portfolio has seen some losses since September's finance meeting. He lastly mentioned that growth in the market has flattened out and that at the request of the committee, an additional page will be added to the investment report that will correspond to the foundation financials. **Motion to accept investment report, Mr. Ochs; Second, Mr. Aden. Motion carried unanimously.**

FY 2018 Audited Financial Statements/IRS Form 990:

Ms. Brown presented the Fiscal Year 2018 Northwest Florida State College Foundation Audited Financial Statements. She noted that an independent audit was conducted by the firm of Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida and went on to go over the highlights of the audit. There was discussion on the significant decrease in the amount of underwater endowments, as well as recent legislature and its effect on certain budget items. Ms. Brown also presented IRS Form 990 prepared by Mauldin & Jenkins and asked for acceptance for both items. Mr. Ochs then asked how often the Foundation's auditing firm is reviewed and bid out. Ms. Brown noted that the firm is reviewed every 3 years and a request for proposals is sent out every 6 years. **Motion to accept the Fiscal Year 2018 Audited Financial Statements and IRS Form 990 informational return for presentation to the Board, Mr. Ochs; Second, Dr. Arnold. Motion carried unanimously.**

Direct Support Organization (DSO) Certification by NWF State College Trustees:

Ms. Brown noted that once the Foundation's audit and Form 990 are approved by the Foundation board, a DSO Audit Review Check List will be submitted to the College Board of Trustees for approval. This certification is required to maintain the Foundation's DSO status.


Other Business:

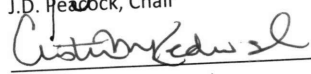
Ms. Reinlie noted that the 3 industry sector forums and the 60 interviews that took place for the feasibility study were successful. The Armistead Group also indicated that pursuing a major gifts campaign looks promising for the college.

Executive Director Remarks:

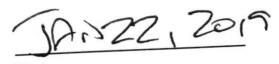
Ms. Kedroski mentioned that she took the committee's recommendations from the last meeting on the possible opportunities to have a 3rd party provide housing services on campus to executive level staff. Currently, there is an ongoing study to calculate the need and demand for dorms on the Niceville campus and Ms. Kedroski would keep the committee apprised of any new information.

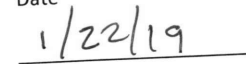
Adjournment: There being no further business, the meeting adjourned at 8:58 a.m.



J.D. Peacock, Chair


Cristie Kedroski, Secretary



Date


Date