

NWFSC Foundation Finance Committee Meeting
November 15, 2017 8:00 a.m.
Arpke Room 315, Costa Leadership Institute

Members Present

Bo Arnold	Jeff McInnis
Wayne Campbell	J.D. Peacock
Don Litke	Steve Wills

Staff Present:

Serena Brown	Jason Masters
Cristie Kedroski	Annie Young
Carla Reinlie	

Others Present

Shane O'Dell

Absent:

David Costa, Jeff Floyd, Ray McGovern, Dennis Peters, Devin Stephenson, Dewayne Youngblood

Call to Order:

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

Approval of Minutes:

The Minutes of the September 20, 2017 meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Dr. Arnold. Motion carried unanimously.**

Review and Approval of October 31, 2017 Financials:

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of October 31, 2017. Total assets are \$50,365,801 and Total Liabilities are \$426 bringing the Total Fund Balance to \$50,365,375. The Statement of Activities reflected \$2,908,844 in Revenues and \$1,412,062 in Expenditures for a total Net increase in Fund balance of \$1,496,781. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$45,338,578, allocated as 2.62% Cash & Cash Equivalents, 62.74% Equity, 10.86% Alternative Investments, and 23.79% Fixed Income. **Motion to approve financials, Mr. Peacock; Second, Maj Gen Litke. Motion carried unanimously.**

Approval of Checks over \$5000:

Ms. Brown also presented a listing of checks over \$5,000 from September 1 - October 31, 2017 for the committee to review. Ms. Brown 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. O'Dell noted that Mr. McGovern was out of town for a conference and sent his regrets. He then presented a portfolio review as of November 14, 2017. In the past twelve months, the total portfolio is up 16.65%. Current holdings stand at 67.43% in equity, 19.19% in fixed income, 2.46% in cash and 10.92% in alternative investments. Mr. O'Dell also presented the custom benchmark report from Blackrock which reflected a market value of \$37,572,551 as of October 31, 2017. The total Blackrock portfolio is up 13.69% year to date and up 8.81% since inception on February 26, 2013. Mr. O'Dell noted that the market has been continuing at

a record low volatility, despite increased geo-political noise. It also continues to see sizeable gains due to the improvement of the global economy. He also noted that there has been around a 3 percent growth in the market recently, with returns increasing and stocks being the assets of choice. He lastly touched upon the Foundation's investment portfolio and noted that the portfolio has been doing well since September's Finance meeting. Mr. O'Dell also explained to new members the equity holding and sector allocations.

Approve FY 2017 Audited Financial Statements/IRS Form 990:

Ms. Brown presented the Fiscal Year 2017 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. Ms. Kedroski touched upon the time and effort report and support schedule for related organizations shown on the Form 990. **Motion to approve Fiscal Year 2017 Audited Financial Statements and IRS Form 990, Mr. Peacock; Second, Mr. Campbell. Motion carried unanimously.**

Direct Support Organization Certification by NWF State College Trustees:

Ms. Brown noted that once the Foundation's audit and Form 990 are approved by the Foundation board, the forms will be submitted to the College Board of Trustees for approval. She presented the Direct Support Organization (DSO) memo certification to the committee and noted that following trustee approval of the audit and Form 990, the certification will be given to the trustees. She noted that this certification is required to maintain the Foundation's DSO status and that it is an informational item.

Investment Services Request for Proposal (RFP):

Mr. McInnis noted that foundation staff is working to compile an Investment Services RFP and presented a preliminary schedule. He then requested that more discussion is needed regarding the makeup of the evaluation committee. After the committee discussed the matter, there was consensus that finance committee members could disclose their personal asset management firm to ensure transparency, and that members from the full board would have an opportunity to participate in the RFP committee if they so choose.

Other Business:

Ms. Kedroski noted that two exciting presentations are planned for the December Foundation Board meeting. First, Dr. Stephenson will be rolling out NWF State College's strategic plan and second, David Ramba from Ramba Law Group will be providing a presentation on the upcoming legislative session. She also encouraged board members to attend the upcoming Indoor Hitting Facility Luncheon on November 28th and to RSVP if they had not already done so.

Adjournment: There being no further business, the meeting adjourned at 9:09 a.m.



Jeff McInnis, Treasurer

1/31/18
Date



Cristie Kedroski, Secretary

1/31/18
Date