

NWFSC Foundation Finance Committee Meeting
September 21, 2016 8:00 a.m.
Arpke Room 315, Costa Leadership Institute

Members Present:

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| Bo Arnold | Steve Wills |
| Chad Hamilton | Dewayne Youngblood |
| Don Litke | |

Staff Present:

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| Serena Brown | Carla Reinlie |
| Cristie Kedroski | Julie Sartori |
| Jason Masters | |

Others Present:

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| Ray McGovern | Jeanette Shires |
| Shane O'Dell | |

Absent:

Wayne Campbell, David Costa, Dennis Peters, Steve Wolfrom

Call to Order:

Mr. Hamilton called the meeting to order at 8:03 a.m.

Approval of Minutes:

The Minutes of the May 18, 2016 and July 20, 2016 meeting were approved as presented. **Motion, Maj. Gen Litke; Second, Mr. Wills. Motion carried unanimously.**

Review and Approval of August 31, 2016 Financials and Checks over \$5,000:

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of August 31, 2016. Total assets are \$45,070,231 and Total Liabilities are \$11,975 bringing the Total Fund Balance to \$45,058,256. The Statement of Activities reflected \$1,210,320 in Revenues and \$1,194,636 in Expenditures for a total Net Increase in Fund balance of \$15,684. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$40,248,919, allocated as 2.19% Cash & Cash Equivalents, 64.21% Equity, 11.23% Alternative Investments and 22.37% Fixed Income. Ms. Brown also presented a listing of checks over \$5,000 from July 1 - August 31, 2016 for the committee to review.

Motion to approve financials and checks over \$5000, Mr. Wills; Second, Mr. Youngblood. Motion carried unanimously.

Investment Report by the McGovern Group – Merrill Lynch:

Mr. McGovern presented a portfolio review as of September 20, 2016. In the past twelve months, the total portfolio is up 3.65%. Current holdings stand at 64.22 percent in equity, 22.62 percent in fixed income, 1.87 percent in cash and 11.30 percent in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$33,173,670 as of August 31, 2016. The total Blackrock portfolio is up 4.89 percent year to date and up 6.95 percent since its inception on February 26, 2013. Mr. McGovern noted that the market has been in decline since the beginning of this year due to increased volatility but over the last several months there has been considerable improvement. He noted however that the upcoming election has become a large factor

that has caused some market volatility again. He also noted that there has been 1-2 percent growth in the market recently and that stocks are the assets of choice even though returns are more subdued. He also pointed out that the portfolio's position has been muddling along and remained largely the same since July's finance committee meeting. Following discussion at the last committee meeting on the Jackson Annuity, Mr. McGovern also noted that an additional \$1.5 million has been moved to the annuity contract from the equity side of the investment portfolio. **Motion to accept the investment report, Mr. Wills; Second, Maj. Gen Litke. Motion carried unanimously.**

Status Update on Audit:

Ms. Brown noted that Mauldin & Jenkins has concluded the fieldwork for the FY 2016 financial audit and that there were no concerns raised at this time. She also noted that the draft audit is scheduled to be presented at the November 16th Finance Committee meeting.

Financial Audit RFP:

Ms. Brown noted that staff are working with the purchasing department to put together the Financial Audit RFP. She also noted that a schedule should be in place by the November 16th Finance Committee meeting and that the Foundation will be represented by herself and Chad Hamilton.

FDIC Insurance:

Ms. Brown explained that the College is considered a public entity and is required to collateralize deposits through the pledging of appropriate securities or other instruments to safeguard funds. Since the Foundation does not fulfill the definition of public unit, the deposit coverage is capped at \$250,000. Mr. Youngblood prompted discussion regarding the evaluation of the bank in order to ensure the Foundation's deposit accounts are safe. After discussion the committee decided to regularly review the credit rating of the Foundation's bank as a means to review its stability.

Regional Utilities/Dewey C. Wilson:

Ms. Brown noted that \$50,000 was received on August 25, 2016 from Regional Utilities to establish the Regional Utilities/Dewey C. Wilson Endowment.

Other Items:

Ms. Shires provided a short update on the underwriting of the Mattie Kelly Arts Center Season and provided more details on the process.

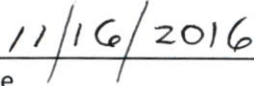
Foundation Chair Remarks:

Mr. Hamilton asked the committee to think of new ways to bring funds to the Foundation and suggested having fundraising events in early 2017 to capitalize on the appointment of the new college president.

Adjournment: There being no further business, the meeting adjourned at 9:04 a.m.



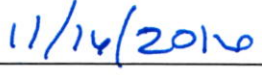
Chad Hamilton, Treasurer



Date



Cristie Kedroski, Secretary



Date