

NWFSC Foundation Finance Committee Meeting
November 16, 2016 8:00 a.m.
Arpke Room 315, Costa Leadership Institute

Members Present:

Bo Arnold
Wayne Campbell
David Costa
Chad Hamilton

Don Litke
Steve Wolfrom
Dewayne Youngblood

Staff Present:

Serena Brown
Cristie Kedroski
Jason Masters

Carla Reinlie
Julie Sartori

Others Present:

Shane O'Dell

Absent:

Ray McGovern, Dennis Peters, Steve Wills

Call to Order:

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

Approval of Minutes:

The Minutes of the September 21, 2016 meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.**

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

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of October 31, 2016. Total assets are \$44,959,498 and Total Liabilities are \$0 bringing the Total Fund Balance to \$44,959,498. The Statement of Activities reflected \$1,197,934 in Revenues and \$1,281,008 in Expenditures for a total Net decrease in Fund balance of \$83,073. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$39,778,025, allocated as 2.43% Cash & Cash Equivalents, 63% Equity, 11.49% Alternative Investments and 23.07% Fixed Income. Ms. Brown also presented a listing of checks over \$5,000 from September 1 - October 31, 2016 for the committee to review.

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

Investment Report by the McGovern Group – Merrill Lynch:

Mr. O'Dell first apologized that Mr. McGovern could not attend and then presented a portfolio review as of November 15, 2016. In the past twelve months, the total portfolio is up 0.7%. Current holdings stand at 63.18 percent in equity, 22.78 percent in fixed income, 2.47 percent in cash and 11.57 percent in alternative investments. Mr. O'Dell also presented the custom benchmark report from Blackrock which reflected a market value of \$32,639,175 as of October 31, 2016. The total Blackrock portfolio is up 3.32 percent year to date and up 6.19 percent since its inception on February 26, 2013. Mr. O'Dell noted that the market has been very volatile because of the election and that rapid growth and inflation is something to be of concern with the Trump presidency. He noted that the market had anticipated a

Clinton win, and he pointed out how this kind of situation is a prime example of the risk associated with the market and why diversity in the portfolio is critical. 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 September's finance committee meeting.

Fiscal Year 2016 Audited Financial Statements/IRS Form 990:

Mr. Hamilton presented the Fiscal Year 2016 Northwest Florida State College Foundation Audited Financial Statements. He 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. Ms. Brown noted that Mauldin and Jenkins is also in the process of preparing IRS Form 990 and that the form will be brought before the Finance Committee at the next meeting on January 18, 2017.

Motion to approve Fiscal Year 2016 Audited Financial Statements, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.

Direct Support Organization Certification by NWF State College Trustees:

Ms. Kedroski noted that once the Foundation's audit and Form 990 are approved by the Foundation board, the information 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 provided to the trustees. She noted that this certification is required to maintain the Foundation's DSO status and that it is an informational item.

Other Items:

Ms. Kedroski noted that there were 2 upcoming major gifts for the foundation. A \$1,000,000 gift from Ms. Susan Pryor Sloat Myers to name the LRC, and a \$25,000 gift from Dale Peterson Realty to start an endowment for the new hospitality program. She also noted that there are plans for a social event for the trustees and board members to meet the new president.

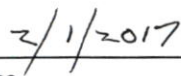
Foundation Chair Remarks:

Mr. Hamilton noted his excitement for the appointment of the new college president and is looking forward to the fundraising events in early 2017 that the Foundation can capitalize on.

Adjournment: There being no further business, the meeting adjourned at 8:57 a.m.



Chad Hamilton, Treasurer



Date



Cristie Kedroski, Secretary



Date