

NWFSC Foundation Finance Committee Meeting
November 18, 2015 8:00 a.m.
Arpke Room 315, Costa Leadership Institute

Members Present:

Chad Hamilton	Dennis Peters
Don Litke	Scott Jackson

Staff Present:

Serena Brown	Carla Reinlie
Cristie Kedroski	Annie Young
Jason Masters	

Others Present:

Ray McGovern	Shane O'Dell
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Absent:

Wayne Campbell, Ty Handy, Dale Peterson, Steve Wills, Robin Wilson, Dewayne Youngblood

Call to Order:

Ms. Kedroski called the meeting to order at 8:05 a.m.

Approve Dale Peterson Attendance by Conference Call:

Mr. Peterson arranged to sit in the committee meeting via conference call but due to technical difficulties, he was not able to attend.

Approval of Minutes:

The Minutes of the September 16, 2015 meeting were approved as presented. **Motion, Mr. Hamilton; Second, Mr. Peters. Motion carried unanimously.**

Review and Approval of August 31, 2015 Financials and Checks over \$5,000:

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of October 31, 2015. Total assets are \$46,137,595 and Total Liabilities are \$65,937 bringing the Total Fund Balance to \$46,071,658. The Statement of Activities reflected (\$2,745) in Revenues and \$1,612,690 in Expenditures for a total Net Decrease in Fund balance of (\$1,615,435). Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$40,432,530, allocated as 3.11% Cash & Cash Equivalents, 61.17% Equity, 11.54% Alternative Investments and 24.17% Fixed Income. Ms. Brown also presented a listing of checks over \$5,000 from September 1 – October 31, 2015. **Motion, Mr. Jackson; Second, Maj. Gen Litke. Motion carried unanimously.**

Investment Report by the McGovern Group – Merrill Lynch:

Mr. McGovern presented a portfolio review as of November 17, 2015. In the past twelve months, the total portfolio is up 0.74%. Current holdings stand at 60.46 percent in equity, 24.46 percent in fixed income, 3.32 percent in cash and 11.76 percent in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$34,265,763 as of October 31, 2015. The total Blackrock portfolio is up 1.14 percent year to date and up 7.85 percent since its inception on February 26, 2013. Mr. McGovern noted since the board reduced its equity holdings by 2.5 percent and put half the funds into a Jones Lang LaSalle Real Estate Investment Trust (REIT) and the rest of the balance into the Ironwood Multi-Strategy fund, the portfolio has had improved performance and is in better shape than the last couple of months. He also noted that there has been a 2.5% growth in the U.S. economy and due to speculation of a possible interest rate increase in December by the Federal Reserve the board can hope to see more performance out of the portfolio.

Motion, Mr. Jackson; Second, Mr. Hamilton. Motion carried unanimously.

Property Management RFQ:

Ms. Brown stated that the Foundation received four responses to Property Management RFQ #16-04 as of the deadline on October 9, 2015. An evaluation committee was formed, which was comprised of Serena Brown, Sam Jones, Cristie Kedroski, Don Litke, and Dale Peterson. Proposals were received from Coastal Realty Service, Century 21 Wimco Realty, Pelican Property Management #1, and ERA American Real Estate, the Foundation's current property management service. Ms. Brown said after evaluating each company on a number of criteria including fees, advertising, applicant screening, accounting processes, as well as maintenance and repairs, a unanimous decision was made in favor of continuing our relationship with ERA American Real Estate. The evaluation committee made its decision contingent upon proof of insurance in the form of Crime and Professional Liability (E&O). Following the meeting the required insurance coverage was confirmed. Ms. Brown noted that once approved by the Finance Committee this recommendation will be brought before the Foundation Board of Directors for approval at the next meeting on December 2, 2015. **Motion, Maj. Gen Litke; Second, Mr. Hamilton. Motion carried unanimously.**

Fiscal Year 2015 Audited Financial Statements/IRS Form 990:

Ms. Brown stated that an independent audit was conducted by the firm of Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida and that acceptance is requested for the Fiscal Year 2015 Northwest Florida State College Foundation Audited Financial Statements. Ms. Brown highlighted some of the most important aspects of the audit. The net position was \$47,687,091 at the close of the fiscal year. This reflects an increase of 1.6% over the previous fiscal year. Of the \$47.8 million in assets, \$4.9 million rests in capital assets. Total assets were \$47,844,207, with just over \$157 thousand in outstanding accounts payable - \$9 thousand is due to the college and \$148 thousand is due to other outside vendors. Contributions increased \$545 thousand from 2014 to 2015, with gifts, contributions, memberships, and endowment revenue residing at \$1.1 million at year end. Total college support was \$1.4 million. These payments reflected \$437 thousand in scholarship expenses, and \$1 million in support of the college. Ms. Brown also noted that Mauldin and Jenkins is still in the process of preparing IRS Form 990 and that the Foundation hopes to have it before the board of directors meeting on December 2, 2015 so that we could bring both financial documents at the same time to be approved. **Motion, Maj. Gen Litke; Second, Mr. Hamilton. Motion carried unanimously.**