

NWFSC Foundation Finance Committee Meeting
October 26, 2021 8:00 a.m.
Morell Room 308, 3rd Floor, Student Services Building

Members Present:

Bo Arnold	Vincent Mayfield
Christie Austin	Jonathan Ochs
James Bagby	Brian Pennington
Destin Cobb – Telephone	Alan Wood
Don Litke	

Staff Present:

Shiri Brandenburg	Carla Reinlie
Kelly Copeland	Chris Stowers
Kira Magruder	

Others Present:

Cristie Kedroski
Ray McGovern
Shane O'Dell

Absent:

Steve Rhodes

Call to Order:

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

Approval of Committee Meeting Minutes:

The July 27, 2021 minutes were approved as presented. **Motion to approve minutes, Dr. Arnold; Second, Mr. Bagby. Motion to approve carried unanimously.**

Finance and Investment Reports:

Ms. Brandenburg presented the Statement of Financial Position, Statement of Activities and Investment Report as of September 30, 2021. Total assets are \$63,855,903 and Total Liabilities are \$6,979, bringing the Total Fund Balance to \$63,848,924. For the previous fiscal year as of September 30, 2020, the Total Fund Balance was \$54,219,481. Total Revenues were \$6,557,190 and Total Expenses were \$4,421,647 for a Net Increase in Fund balance of \$2,135,543. A Statement of Activities from the previous fiscal year from July 1, 2020 through September 30, 2020 shows Total Revenues of \$3,275,176 and Total Expenses of \$1,619,539 for a Net Increase in Fund balance of \$1,655,637. The Net Decrease to the Merrill Lynch EMA account since July 1, 2021 was \$236,641, bringing the Total Market Value to \$62,776,191 at September 30, 2021. The Net Increase to the Vanguard Wellington Account since July 1, 2021 was \$3,332, bringing the Total Market Value to \$326,849 as of the last statement date of September 30, 2021. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$63,103,041. The portfolio allocation was 4.36% Cash & Cash Equivalents, 61.21% Equity, 8.49% Alternative Investments and 25.94% Fixed Income. As of September 30, 2021 Total Operating Expenditures were \$222,252, leaving 52% of the budget for the remainder of the fiscal year. **Motion to accept the September 30, 2021 financial reports for presentation to the Board, Maj Gen Litke; Second,**

Mr. Pennington. Motion carried unanimously.

FY 2021 Audited Financial Statements/IRS Form 990:

Ms. Brandenburg presented the Audited Financial Statement and 990 for Fiscal Year 2021 from Mauldin & Jenkins. At the close of the fiscal year the net position was \$65,440,511 which is an increase of 24.5% over the previous fiscal year. For FY21 the amount of underwater funds remained at 0. In FY21, \$656 thousand in scholarship expenses and \$2.2 million in program and other support was sent to the college for a total of \$2.8 million. **Motion for NWFSC Foundation Finance Committee to accept the FY 2021 Draft Audited Financial Statements and IRS Form 990 for presentation to the Board, Mr. Mayfield; Second, Dr. Arnold. Motion carried unanimously.**

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

Mr. McGovern presented a portfolio review as of September 30, 2021 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$53,908,348 as of September 30, 2021, reminding the committee that the Blackrock report is not a representation of the Foundation's entire investment portfolio with Merrill Lynch. The Merrill Lynch report shows investment allocations stand at 63.37% Equity, 23.40% Fixed Income, 4.37% Cash, and 8.55% Alternative Investments. The Benchmark was reviewed and the percentage value aligns with the Foundations policy; however, the benchmark being used is not the same as what the Foundation policy states. Mr. Bagby presented a motion to correct the Benchmark in the Foundation's policies to match the Blackrock report. **Motion to update the Benchmark from Russell 1000 Growth to S&P 500 Growth for presentation to the Board, Mr. Bagby; Second, Maj Gen Litke. Motion carried unanimously.**

Checks over \$5,000:

Ms. Brandenburg presented a listing of checks over \$5,000 from July 1 through September 30, 2021 for the committee to review. **Motion to approve the checks over \$5,000 as presented Mr. Bagby; Second, Mr. Ochs. Motion carried unanimously.**

Update on Campbell Property (39.48 acre parcel):

Ms. Brandenburg provided an update on the Campbell property. An appraisal was completed on the 39 acres valuing it the land at \$180,000. The property will be thinned in the next month with the estimated proceeds being approximately \$12,000. The timber will be thinned again in 8 years and the proceeds will be approximately \$20,000. McGovern, O'Dell and Associates forecasted returns on investment to help the committee make the best decision. Two forecasts were completed for a 5 year and 8 year period at interest rates between 4-10% ; 1) \$12,000 investment from thinning, and 2) \$185,000 (appraisal value, plus thinning revenue, minus closing costs). Ms. Kedroski noted the Bradley's have increased their offer to \$150,000. The committee weighed the pros and cons of owning this property, its location, and the current real estate market. **Motion to counter the Bradley's offer at \$180,000 with buyer assuming all closing costs, Mr. Bagby; Second, Mr. Pennington. Voting in favor: Mr. Bagby, Mr. Pennington, Dr. Arnold, and Mr. Cobb. Voting against, Ms. Austin, Mr. Mayfield, Mr. Wood, Mr. Ochs, Maj Gen Litke. Motion not passed.** Several committee members will contact local real estate agents to determine the potential best value the land can be sold for.

New Endowments:

Ms. Brandenburg presented four new endowments: The Purple Heart Endowment was established by Patt and Caroline Maney. Their gift of \$25,000 will provide scholarship support for a student enrolled at NWFSC who is a Purple Heart recipient or a descendant of a Purple Heart recipient. Al Nyquist has

created the Albert Nyquist Endowed Scholarship with a gift of \$30,000 to support a full-time business student at NWFSC. An additional \$4,000 gift was also received that created a scholarship that will provide funding for an award in the 2021-2022 academic year. Janice Eichorst has created the Janice C. Eichorst Endowed Scholarship to support a student pursuing a degree in education with an initial gift of \$5,000 and a pledge of two additional installments of \$5,000 each, totaling \$15,000 to be paid by September 1, 2023. Gloria Frazier and her team have created the ERA American Real Estate Endowment which will serve as the seed funds for the newly established Raider Champions Fun Scholarship. **Motion to approve the Purple Hear Endowment, Albert Nyquist Endowed Scholarship, Janice C. Eichorst Endowed Scholarship, and ERA American Real Estate Endowment for presentation to the Board, Maj Gen Litke; Second, Mr. Pennington. Motion carried unanimously.**

Executive Director Report:

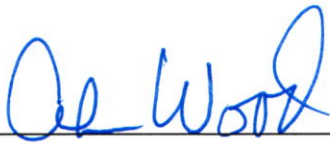
Mr. Stowers introduced himself to the Committee and how excited he is to be at NWFSC.

Next Meeting:


The next Finance Committee Meeting will be held January 25, 2022 at 8:00 a.m.

Adjournment:

There being no further business, the meeting adjourned at 9:44 a.m.



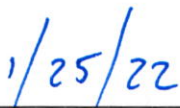
Alan Wood, Chair



Date



Chris Stowers, Secretary



Date