

NWFSC Foundation Finance Committee Meeting  
January 25, 2022 8:00 a.m.  
Room 306, 3<sup>rd</sup> Floor, Student Services Building

**Members Present:**

Bo Arnold  
Christie Austin  
James Bagby  
Alan Wood

Don Litke  
Vincent Mayfield  
Jonathan Ochs

**Staff Present:**

Kelly Copeland  
Kira Magruder

Carla Reinlie  
Chris Stowers

**Others Present:**

Cristie Kedroski  
Ray McGovern  
Shane O'Dell

**Absent:**

Destin Cobb  
Brian Pennington  
Steve Rhodes

**Call to Order:**

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

**Approval of Committee Meeting Minutes:**

The October 26, 2021 minutes were approved as presented. **Motion to approve minutes, Mr. Bagby; Second, Mr. Ochs. Motion to approve carried unanimously.**

**Finance and Investment Reports:**

Mr. Stowers presented the Statement of Financial Position, Statement of Activities, and Investment Report as of November 30, 2021. Total Assets are \$67,869,713 and Total Liabilities are \$20,518 bringing the Total Fund Balance to \$67,849,194. For the previous fiscal year as of November 30, 2020, the Total Fund Balance was \$58,201,456. Total Revenues were \$7,401,858 and Total Expenses were \$4,993,175 for a Net Increase in Fund balance of \$2,408,683. A Statement of Activities from the previous fiscal year from July 1, 2020 through November 30, 2020 shows Total Revenues of \$7,482,853 and Total Expenses of \$1,845,241 for a Net Increase in Fund balance of \$5,637,612. The Net Increase to the Merrill Lynch EMA account since July 1, 2021 was \$372,213, bringing the Total Market Value to \$63,385,045 at November 30, 2021. The Net Increase to the Vanguard Wellington Account (Science Development Fund) 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 \$63,711,895. The portfolio allocation was 4.24% Cash & Cash Equivalents, 61.88% Equity, 8.57% Alternative Investments and 25.31% Fixed Income. As of November 30, 2021 Total Operating

Expenditures were \$255,950, leaving 45% of the budget available at the end of the fiscal year. **Motion to accept the November 30, 2021 financial reports for presentation to the Board Mr. Bagby; Second, Dr. Arnold. Motion to approve carried unanimously.**

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

Mr. McGovern presented a portfolio review as of December 31, 2021 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$56,294,916 as of December 31, 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 65.26% Equity, 22.16% Fixed Income, 4.11% Cash, and 8.47% Alternative Investments. Mr. McGovern stated with the current market he is positive, but cautious regarding our accounts.

**Discussion of Campbell Property:**

Mr. Stowers provided a brief update regarding the Campbell property in Walton County. The Foundation owns 39.48 acres in Walton County via a bequest from the Gertrude Gillis Campbell Scholarship. In the early 1990's the board elected to plant and harvest timber on this property to generate additional revenue. An offer was received from Jared and Melissa Bradley for \$100,000 on April 27, 2021. An analysis was completed on the estimated net revenue from future timber thinning's. Based on the analysis, the committee passed a motion to obtain an official appraisal of the property. Prior to the appraisal, Jared and Melissa Bradley submitted an updated offer on September 13, 2021 of \$150,000. The appraisal values the land at \$180,000. During the October 26, 2021 Finance Committee meeting, it was requested that Mr. Bagby and Mr. Ochs contact real estate agents with experience in agricultural property to have informal discussions. On November 26, 2021 Jared and Melissa Bradley increased their offer price to \$195,000, which is above the appraisal value. The committee discussed the Bradley's new offer, which is above market value, and how the sale would provide scholarships to students in need. Based on this information Maj. Gen Litke proposed a motion to sell the Campbell the property to the Bradley's. **Motion to present the sale of the Campbell Property with funds being applied to the Gertrude Gillis Campbell Scholarship Endowment, Maj Gen Litke; Second, Mr. Bagby. Motion to approve carried unanimously.**

**Endowment Spending Allocation for the 2022-23 Academic Year:**

Mr. Stowers presented the Endowment Spending Allocation for 2022-23 Academic Year. Per the Foundation's spending policy the award allocations are calculated as a percentage, not to exceed 4%, of the three year average of the endowment market value at fiscal year-end. Total endowment support for the 2022-23 year is \$2,151,834. **Motion to approve the 2022-23 Endowment Spending Allocation for presentation to the Board Mr. Ochs; Second, Dr. Arnold. Motion carried unanimously.**

**Checks over \$5,000:**

Mr. Stowers presented a listing of checks over \$5,000 from October 1 through December 31, 2021 for the committee to review. **Motion to approve the checks \$5,000 as presented Mr. Ochs; Second, Dr. Arnold. Motion to approve carried unanimously.**

**New Endowments:**

Mr. Stowers presented four new endowments: The Fisher Family Endowed Scholarship was established by Howard and Irene Fisher. Their gift \$25,000 gift will provide scholarship support a student pursuing a Technical Certificate in Dental Assisting. The Dee Mueller Endowed Nursing Scholarship was established