

NWFSC Foundation Finance Committee Meeting
April 25, 2023 at 8:00 a.m.
Room 301, 3rd Floor, Student Services Building

Members Present:

Bo Arnold	Brian Pennington
Heather Kilbey	JD Peacock
Cindy Frakes	Alan Wood
Jonathan Ochs	

Staff Present:

Jennifer Bernich
Conner Rogers
Chris Stowers

Others Present:

Cristie Kedroski	Shane O'Dell
Ray McGovern	

Absent:

Destin Cobb	Christie Austin
Todd Grisoff	Jim Bagby
Don Litke	Steve Rhodes
	Gordon King

Call to Order:

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

Approval of Committee Meeting Minutes:

The January 24, 2023 minutes were approved as presented. **Motion to approve minutes, Mr. Wood, Mr. Peacock. Motion carried unanimously.**

Finance and Investment Reports:

Mr. Ochs presented the Statement of Financial Position, Statement of Activities, and Investment Reports as of March 31, 2023. Total Assets are \$59,113,230 and total Liabilities are \$1,768, bringing the total Fund Balance to \$59,111,461. For the previous fiscal year as of March 31, 2022, the Total Fund Balance was \$64,048,171. Total Revenues were \$4,470,275 and total Expenses were \$2,715,029 for a Net Increase in Fund balance of \$1,755,246. A Statement of Activities from the previous fiscal year from July 1, 2021 through March 31, 2022 shows Total Revenues of \$3,742,433 and Total Expenses of \$5,134,874 for a Net Decrease in Fund balance of (\$1,392,440). The Net Increase to the Merrill Lynch EMA account since July 1, 2022 was \$3,376,653 bringing the Total Market Value to \$57,811,462 at March 31, 2023. The Net Increase to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2022 was \$23,290 bringing the Total Market Value to \$438,831 as of the last statement date of March 31, 2023. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$58,250,293. The portfolio allocation was 3.35% Cash & Cash Equivalents, 61.65% Equity, 9.56% Alternative Investments and 25.44% Fixed Income.

Motion to approve the March 31, 2023 financial reports for presentation to the Board Mr. Peacock; Second, Mr. Pennington carried unanimously.

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

Mr. McGovern presented a portfolio review as of March 31, 2023 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$57,812,976 as of March 31, 2023. The Merrill Lynch report shows investment allocations stand at 61.8% Equity, 25.6% Fixed Income, 3% Cash, and 9.6% Alternative Investments which are all within the expected parameters.

FY24 Operating Budget Update:

Mr. Stowers presented the operating budget for FY24. The operating fund currently has a balance of \$1,791,976 as of March 31, 2023. Note: The operating fund is invested and, therefore, is subject to investment gains/losses, which are not accounted for in this budget. Mr. Stowers advised of four items for FY24; 1) \$299,520 in Internal Support Services for Foundation salary expenses. This is a 4% increase from FY23, representing 75% of Foundation staff's salary expenses. 2) \$70,000 for Consultants to support continued legislative services for NWFSC, which the institution is unable to pay from state appropriations. 3) Service Contracts/Agreements reflect a slight increase which includes the Foundation online giving platform (Give Campus), Board communication platform (OnBoard), and a new subscription to wealth indicator software platform (Donor Search). 4) Support to College includes \$25,000 for Faculty Grants for FY24 (no change) along with \$15,000 to support the Annual President's VIP Reception at the Holiday Pops Concert. This includes an increase of \$3,000. Mr. Stowers advised Foundation staff work hard to ensure expenses do not surpass revenue. **Motion to approve the FY24 Foundation Operating Budget for presentation to the Board, Mr. Wood; Second, Dr. Arnold. Motion carried unanimously.**

Selection of Foundation Audit Firm:

Mr. Stowers presented that based on the Professional Services Contract Review Schedule, Audit Services are scheduled to be rebid before June 2023. An RFQ was created and distributed in February, 2023 with two firms submitting proposals. The proposals from Mauldin & Jenkins and EFPR Group CPA's were presented and members were asked to review each proposal and consider criteria such as: approach to audit quality, team knowledge and experience, and scope and pricing of the engagement. It is noted that the incumbent firm, Mauldin & Jenkins, has valuable experience with the Foundation, has served the Foundation capably over their previous tenure, and assisted with complex reporting issues in recent audits. **Motion to select the accounting firm Mauldin & Jenkins for professional services related to the audit needs of the Foundation, beginning with the year ending June 30, 2023, Mr. Wood; Second, Mr. Pennington. Motion carried unanimously.**

Underwriting of Mattie Kelly Arts Center Series 2023-2024:

Mr. Stowers presented the 2023-2024 Mattie Kelly Arts Center Series. He noted that each year the Foundation is asked to underwrite the season. Ms. Kedroski noted that the College cannot appropriate funds for auxiliary services. **Motion to approve underwriting the 2023-2024 Arts Center season at a cost not to exceed \$550,500, Ms. Kilbey; Second, Dr. Arnold. Motion carried unanimously.**

FY2024 Foundation/College MOU:

Mr. Stowers presented the Foundation/College MOU. Mr. Stowers noted the MOU will be updated once the 2023-2024 budget is finalized. **Motion to approve the Northwest Florida State College and NWFSC Foundation MOU Mr. Peacock; Second, Mr. Pennington. Motion carried unanimously.**

Checks over \$5,000:

Mr. Stowers presented a listing of checks over \$5,000 from January 1, 2023 to March 31, 2023. **Motion to approve the checks over \$5000 as presented Mr. Pennington; Second, Mr. Wood. Motion carried unanimously.**

Executive Director's Report:

Mr. Stowers briefed the Finance Committee on the open positions in the Foundation. He noted the upcoming commencement will consist of two ceremonies and Board attendance is always encouraged. Negotiations are still underway regarding the campus housing with an ideal occupancy date of Fall 2024. He closed with mentioning the upcoming President's Circle event.

Adjournment:

There being no further business, the meeting adjourned at 8:50 a.m.

Cindy Frakes
Cindy Frakes, Chair

7-25-23
Date

Chris Stowers
Chris Stowers, Secretary

7/25/23
Date