

NWFSC Foundation Finance Committee Meeting
July 25, 2023 at 8:00 a.m.
Room 308, 3rd Floor, Student Services Building

Members Present:

James Bagby (via teleconference)
Destin Cobb
Cindy Frakes
Fran Hendricks
Bernard Johnson (via teleconference)
Heather Kilbey
Don Litke
Vince Mayfield

Wendy McAdams Dorr
Jonathan Ochs
Brian Pennington
Steve Rhodes
Hu Ross
Alan Wood

Staff Present:

Jennifer Bernich
Conner Rogers
Tara Thomson
Chris Stowers

Others Present:

Cristie Kedroski
Ray McGovern
Tanner McKnight
Shane O'Dell

Absent:

Christie Austin
Todd Grisoff

Call to Order:

Ms. Frakes called the meeting to order at 8:00 a.m.

New Staff:

Ms. Frakes introduced Tara Thomson, the Foundation's new Director of Finance and Accounting, to the committee.

Members attending remotely:

Mr. Frakes asked for approval that two members, Jim Bagby and Bernard Johnson, to participate in the meeting via teleconference.

Approval of Committee Meeting Minutes:

The April 25, 2023 Finance Committee Meeting minutes were approved as presented. **Motion to approve minutes Ms. Kilbey; Second, Mr. Ross. Motion carried unanimously.**

The July 13, 2023 Special Finance Meeting minutes were approved as presented. **Motion to approve minutes Gen. Litke; Second, Mr. Cobb. Motion carried unanimously.**

Role of Finance Committee:

Ms. Frakes reviewed the role of the Finance Committee. Per the Foundation's bylaws, this Committee shall be chaired by the Treasurer and shall recommend actions and policies to the Board regarding the expending and investing of funds. This Committee shall make recommendations on selection of an Auditor; meet with the Auditor as needed; present annual Audited Financial Statements to the Board of Directors for acceptance; and assure that the Audit is provided to appropriate state and/or federal agencies.

Review of Foundation Assets:

Mr. Stowers reviewed the Foundation Assets. The Foundation currently has 336 permanently restricted funds, 84 temporarily restricted funds, and several investment accounts. In addition, the Foundation also owns other assets including owning numerous parcels of land, Mattie Kelly Mausoleum, and a Broadband Spectrum.

Review of the Investment Policy:

Ms. Frakes gave an overview of the investment policy and noted the information provided to committee members for their review. She stated it is provided as an informational item and that staff is not recommending any changes at this time, but believes it is prudent to review the policy at least once a year.

Finance and Investment Reports:

Mr. Stowers presented the Statement of Financial Position, Statement of Activities, and Investment Reports as of 6/30/2022. Total Assets are \$61,357,568 and Total Liabilities are \$0.00, bringing the Total Fund Balance to \$61,357,568. For the previous fiscal year as of June 30, 2022, the Total Fund Balance was \$57,501,442. Total Revenues were \$7,585,944 and Total Expenses were \$3,584,591 for a Net Increase in Fund balance of \$4,001,353. A Statement of Activities from the previous fiscal year from July 1, 2021 through June 30, 2022 shows Total Revenues of (\$2,161,268) and Total Expenses of \$5,923,028 for a Net Decrease in Fund balance of \$8,084,296. The Net Increase to the Merrill Lynch EMA account since July 1, 2022 was \$4,011,187 bringing the Total Market Value to \$60,367,013 at June 30, 2023. The Net Increase to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2022 was \$41,557, bringing the Total Market Value to \$457,098 as of the last statement date of June 30, 2023. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$60,824,111. The portfolio allocation was 3.41% Cash & Cash Equivalents, 63.22% Equity, 9.24% Alternative Investments and 24.13% Fixed Income. As of June 30, 2023 Total Operating Expenditures were \$419,268, leaving 11% of the budget available at the end of the fiscal year.

Motion to accept and present 6/30/2023 Financial Reports to the Board, Mr. Wood; Second, Mr. Ross. Motion carried unanimously.

Sons and Daughters of Italy Scholarship Endowment:

Mr. Stowers introduced The Sons and Daughters of Italy Joseph B. Franzalia Lodge 2422 of Fort Walton Beach has donated \$50,000 to establish the Joseph B. Franzalia Lodge 2422 Sons and Daughters of Italy Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students with financial need from Okaloosa County and the organization has agreed to give annually until the endowment has earned enough to award scholarship funds. Per the bylaws, new endowments must be approved by the Foundation Board and the College Trustees. **Motion to approve**

the Sons and Daughters of Italy Scholarship Endowment as presented for presentation to the Board Ms. Kilbey; Second, Mr. Ochs. Motion carried unanimously.

Checks Over \$5,000:

Mr. Stowers presented a listing of checks over \$5,000 from March 31, 2022 through June 30, 2022.

Motion to approve the checks over \$5,000 as presented, Mr. Pennington; Second, Ms. McAdams Dorr. Motion carried unanimously.

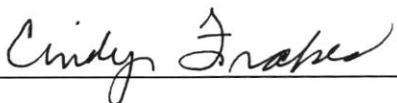
Investment Report by McGovern, O'Dell & Associates/Merrill Lynch:

Mr. McGovern presented a portfolio review as of June 30, 2023 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$52,613,022 as of June 30, 2023, 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 64.9% equity, 22.35% fixed income, 3.43% cash and 9.33% alternative investments at June 30, 2023.

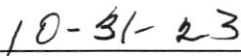
First Generation Matching Grant (FGMG) Funds:

The First Generation Matching Grant (FGMG) is a need-based program providing financial aid to Florida undergraduate residents who demonstrate financial need and whose parents have not earned a baccalaureate degree. Each Year the State of Florida earmarks a specific allocation to support Northwest Florida State College first generation students. The state-to-private match is 2:1 which could potentially provide scholarship funds for NWFSC first-generation in college students. The 2023-24 match amount has not been received as of publishing of this committee data. Last year's allocation was \$22,954, requiring \$11,477 to be raised to receive the full match. Certification of private contributions for FGMG is due on or before December 1, 2023.

Adjournment: There being no further business, the meeting adjourned at 8:42 a.m.



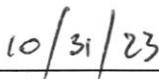
Cindy Frakes, Chair



Date



Chris Stowers, Secretary



Date