

NWFSC College Foundation Board of Directors Meeting
November 7, 2023 8:00 AM
Room 302, Building 400, Niceville Campus

Directors Present:

Bo Arnold
James Bagby
Cindy Frakes
Teresa Halverson
Fran Hendricks
Heather Kilbey
Gordon King
Donald Litke
Wendy McAdams Dorr

Jonathan Ochs
Brian Pennington
Tyler Jarvis
Devin Stephenson
Neko Stubblefield
Steve Rhodes
Chris Stowers
Alan Wood

Staff Present:

Pinar Archangel
Jennifer Bernich

Conner Rogers
Tara Thomson

Others Present:

Tanya Beauregard
Steve Hough
Cristie Kedroski
Shane O'Dell

Ashan Pridgon
Tanner McKnight
Jeanette Shires
Whitney Rutherford

Absent:

Christie Austin
Destin Cobb
Todd Grisoff
Bernard Johnson
Vincent Mayfield

Tim McCool
Zach McCluskey
Hu Ross
Stan Siefke
Cecil Williams

Call to Order:

Mr. Wood called the meeting to order at 8:04 AM.

Approval of Board Minutes:

The minutes from the August 1, 2023 Board of Directors Meeting were approved as presented. **Motion to approve as presented Dr. Arnold; Second, Ms. Stubblefield. Motion carried unanimously.**

Special Presentation

Mr. Stowers gave a brief over view of the BEYOND Faculty Grants and announced this year's winners Scott Hough, Tanya Beauregard, and Ashan Pridgon and asked each gave an overview of their project.

Finance and Investment Reports:

Ms. Frakes presented the Statement of Financial Position, Statement of Activities, Investment Report, and Operating Budget Review as of 9/30/2023. Total Assets are \$59,972,921 and Total Liabilities are \$1,284, bringing the Total Fund Balance to \$59,971,636. For the previous fiscal year as of September 30, 2022, the Total Fund Balance was \$53,472,277. Total Revenues were (\$1,172,013) and Total Expenses

were \$170,145 for a Net Decrease in Fund balance of (\$1,342,158). A Statement of Activities from the previous fiscal year from July 1, 2022 through September 30, 2022 shows Total Revenues of (\$2,012,112) and Total Expenses of \$1,871,826 for a Net Decrease in Fund balance of (\$3,883,938). The Net Decrease to the Merrill Lynch EMA account since July 1, 2023 was (\$1,376,526) bringing the Total Market Value to \$58,854,881 at September 30, 2023. The Net Decrease to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2023 was (\$14,010), bringing the Total Market Value to \$443,088 as of the last statement date of September 30, 2023. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$59,297,968. The portfolio allocation was 3.04% Cash & Cash Equivalents, 62.56% Equity, 9.64% Alternative Investments and 24.76% Fixed Income. As of September 30, 2023 Total Operating Expenditures were \$55,641, leaving 89% of the budget available for the fiscal year. The NWFSC Foundation Board of Directors approves the September 30, 2023 financial reports. **Motion to accept the Financial Statements as presented Mr. Bagby; Second, Ms. Halverson. Motion carried unanimously.**

Approve FY23 Audited Financial Statements & IRS Form 990:

Ms. Frakes presented the Fiscal Year 2023 Northwest Florida State College Foundation Audited Financial Statements and IRS Form 990. Both documents have been prepared by the independent auditing firm of Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida. The audit reflects a clean opinion. Highlights of the Audit: Net position was \$61,313,795 at the close of the fiscal year. This reflects an increase of 6.90% over the previous fiscal year. Of the \$61.36 million in total assets, \$13 thousand rested in capital assets. Total liabilities were \$46 thousand, with \$44 thousand due to the college and \$2 thousand due to other outside vendors. The Foundation's investments increased 7.14% from July 1, 2022 to June 30, 2023 after a reported decrease of 7.25% from July 1, 2021 to June 30, 2022. The decrease and subsequent increase were principally due to financial market conditions. At June 30, 2023 the number of funds in underwater status was 10. All 10 were endowments established within the past three fiscal years. Endowments with a fair market value below corpus will receive no spending allocation. The deficits can only be overcome through positive investment earnings. Total gifts, contributions, grants and other income, decreased \$2,654 thousand from 2022 to 2023, totaling \$889 thousand at June 30, 2023. Additions to permanent endowments totaled \$196 thousand at year-end. Total college support was \$2.9 million. These payments reflected \$725 thousand in scholarship expenses, and \$2.2 million in program and other support to the college. The NWFSC Foundation Board accepts the FY 2023 Draft Audited Financial Statements and IRS Form 990 as presented. **Motion to accept the Financial Statements as presented Mr. Bagby; Second, Mr. King. Motion carried unanimously.**

Sale of EBS License:

Ms. Rutherford gave an overview of the proposed EBS License sale. Ahead of the Board of Directors' regularly scheduled meeting on November 7, 2023, T-Mobile submitted an offer to purchase the College's and the Foundation's Education Broadband Service (EBS) licenses for \$1,750,000. To ensure that Finance committee members had an opportunity to discuss before their October 31 meeting, the Finance Committee held a special informational meeting on September 27, 2023, to present and discuss the offer. The College's Board of Trustees first discussed this offer at their September meeting, and, at their October 17 meeting, the Board of Trustees approved the sale of the College's license. The offer materials are presented for action by the Foundation Board of Directors. The Board of Directors: (1) approve the sale of the Foundation's EBS license to T-Mobile for the purchase price reflected in the asset purchase agreement; (2) approve the proceeds of the sale of both the College's and Foundation's licenses being directed to the Northwest Florida State College Foundation; and (3) authorize and direct the Board of Directors Chair and Foundation Executive Director to take all required action and sign

documents necessary to close the sale. **Motion to approve the sale of the EBS License Dr. Arnold; Second, Mr. Bagby. Motion carried unanimously.**

New Endowment:

Mr. Ochs presented the Stergios Katsaros Memorial Scholarship Endowment. The friends, family and employees of Step One Automotive Group, along with the Correa family, have pledged gifts totaling \$15,500 to establish the Stergios Katsaros Memorial Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students pursuing a degree in the medical field with financial need. **Motion to approve the Stergios Katsaros Memorial Scholarship Endowment Gen. Litke; Second, Ms. Halverson. Motion carried unanimously.**

Development Committee Report:

Mr. Ochs provided an update on Development activities and goals for the year. Year to Date fundraising is \$250,900 as of 9/30/2023, which represents 18% of the annual goal. This is compared to \$324,344 for the same period in 2022. Mr. Ochs shared that the Foundation Board and Trustees are collectively at 47% giving this fiscal year. The Faculty and Staff Campaign occurred in August – September and resulted in \$44,848 in total giving. Finally, the President’s Circle currently has 58 members with total giving of \$39,050.

Governance Committee:

Dr. Arnold shared that the Governance Committee has reviewed the board members whose terms are set to expire at the end of this fiscal year. As of June 30, 2024, there are eight (8) Foundation directors whose board terms will expire. Four members are eligible for reappointment to a second term, one will term limit out and thus not eligible, and two have been endorsed to serve an additional year to fulfill a leadership position, and one with a one-year extension for a leadership role is also not eligible.

Florida Sunshine Law Presentation:

Ms. Rutherford gave an overview of Florida Sunshine Law and how it pertains to Foundation Board activities.

Executive Director’s Report:

Mr. Stowers presented the contributions over \$1,000 report. He highlighted the gifts received July 1, 2023 through September 30, 2023 and asked for thank you notes to be written. Mr. Stowers provided a list of upcoming events across the campus including an upcoming Board of Directors tailgate event preceding the November 28, 2023 Men’s Basketball Game.

Trustee Liaison Remarks:

Maj Gen Litke reviewed August, September, and October Trustees meeting and highlighted their approved actions. The Trustees have met three times in regular session since the last BOD meeting. The most significant activity during this period was the Governor’s appointment of five trustees to the Board. New appointees are: Cory Fosdyck, Kristen “Rhea” Goff, Megan Harrison. Returning to the Board are MG (Ret) Rudy Wright and MG (Ret) Litke. Major action items approved during this period include: For the CHS: The Student Handbook and the Mental Health Assistance Allocation Plan. The 2023-24 Budget. The Teacher Salary Increase Allocation Funding. For the College: The 2023-24 Academic Calendar and updates to the college catalog. The South Walton Campus Facilities expansion The 2023 FCS Affordability Report, The 2024-25 Academic Calendar, The final review of the Student Code of Conduct, The 1022-23 Carryover spending Plan, The Sons and daughters of Italy Endowment,

The sale of the College EBS License. Finally, the Trustees continue to take actions of an administrative nature that impact the college.

College Reports by Dr. Devin Stephenson, President:

Dr. Stephenson stated that the college enrollment was up by 7%. He highlighted the additional funding from the legislature. He also pointed out how the Board can be of assistance in that process going forward.

Foundation Chair Remarks:

Mr. Wood encouraged Board activity in upcoming campus events and thanked everyone for attending.

Introduction of New Staff:

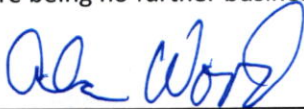
Mr. Stowers introduced Pinar Archangel as the new Foundation Office Specialist.

Next Meeting:


The next Foundation Board meeting will be February 6, 2024, at 8:00 a.m. in Room 302, Niceville Campus.

Adjournment:

There being no further business, the meeting adjourned at 9:07 AM



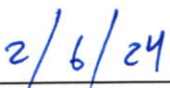
Alan Wood, Chair



Date



Chris Stowers, Secretary



Date