

NWFSC Foundation Finance Committee Meeting
July 23, 2024 at 8:00 AM
Room 302, Building 400

Members Present:

Destin Cobb
Fran Hendricks
Bernard Johnson
Heather Kilbey
Don Litke
Vince Mayfield
Wendy McAdams Dorr

Jonathan Ochs
Brian Pennington
Steve Rhodes
Chris Stowers
Alan Wood

Staff Present:

Pinar Archangel
Jennifer Bernich

Conner Rogers
Tara Thomson

Others Present:

Ray McGovern

Absent:

Christie Austin
James Bagby
Cindy Frakes
Todd Grisoff
Hu Ross

Call to Order:

Mr. Rhodes called the meeting to order at 8:01 AM

Approval of Meeting Minutes:

The minutes from the April 30, 2024 Finance Committee meeting were approved as presented.

Motion to approve the meeting minutes, Mr. Johnson; Second, Mr. Cobb. Motion carried unanimously.

Role of Finance Committee:

Mr. Stowers 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 and Mattie Kelly Mausoleum and

Park.

Review of the Investment Policy:

Mr. Stowers gave an overview of the investment policy and noted the information provided to committee members for their review. He 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 per year.

Finance and Investment Reports:

Ms. Thomson presented the Statement of Financial Position, Statement of Activities, Investment Report, and Operating Budget Review as of June 30, 2024. Total Assets are \$69,154,740 and Total Liabilities are \$6,120, bringing the Total Fund Balance to \$69,148,620. For the previous fiscal year as of June 30, 2023, the Total Fund Balance was \$61,313,794. Total Revenues were \$11,049,924 and Total Expenses were \$3,215,09 for a Net Increase in Fund balance of \$7,834,825. A Statement of Activities from the previous fiscal year from July 1, 2022, through June 30, 2023, shows Total Revenues of \$7,518,376 and Total Expenses of \$3,560,797 for a Net Increase in Fund balance of \$3,957,579. The Net Increase to the Merrill Lynch EMA account since July 1, 2023, was \$6,542,573 bringing the Total Market Value to \$66,034,487 on June 30, 2024. The Net Increase to the Vanguard Wellington Account (Science Development Fund and First Responders Fund) since July 1, 2023, was \$68,901, bringing the Total Market Value to \$525,999 as of the last statement date of June 30, 2024. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$66,560,485. The portfolio allocation was 1.82% Cash & Cash Equivalents, 65.51% Equity, 8.83% Alternative Investments and 23.84% Fixed Income. As of June 30, 2024, The Jay Odom Group has withdrawn \$2,091,886, completing the developer's 20% equity. As of June 30, 2024, the Jay Odom Group has drawn up to \$1,580,778 of the Foundation's portion of the construction loan of \$5,358,484 with a remaining balance of \$3,777,706. As of June 30, 2024, Total Operating Expenditures were \$489,697, leaving 2% of the budget available for the fiscal year.

Motion to approve the June 30, 2024 financial reports for presentation to the Board Mr. Wood; Second, Ms. McAdams Dorr carried unanimously.

Paul E. Driver Memorial Scholarship Endowment:

Mr. Stowers shared that the family and friends of the late Master Sergeant Paul Driver have donated over \$15,000 to establish the Paul E. Driver Memorial Scholarship Endowment at Northwest Florida State College. This endowment will provide scholarship support to students enrolled at NWFSO who have graduated from an Okaloosa County School.

Motion to approve the Paul E. Driver Memorial Scholarship Endowment as presented for presentation to the Board Gen. Hendricks; Second, Mr. Mayfield carried unanimously.

Checks over \$5,000:

Ms. Thomson presented a listing of checks over \$5,000 from March 31, 2024, to June 30, 2024.

Motion to approve the checks over \$5000 as presented Gen. Litke; Second, Ms. Kilbey. Motion carried unanimously.

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

Mr. McGovern presented a portfolio review as of June 30, 2024 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market

value of \$57,914,165 as of June 30, 2024. The Merrill Lynch report shows investment allocations stand at 66.68% Equity, 22.75% Fixed Income, 1.67% Cash, and 8.90% Alternative Investments.

Executive Director's Report:

Mr. Stowers encouraged board members to get engaged more. He also informed the members of the staff changes in the College.

Adjournment:

There being no further business, the meeting adjourned at 9:03 AM

Steve Rhodes, Chair

Date

Chris Stowers, Secretary

Date