

NWFSC Foundation Finance Committee Meeting
January 20, 2016 8:00 a.m.
Arpke Room 315, Costa Leadership Institute

Members Present:

Chad Hamilton	Steve Wills
Don Litke	Scott Jackson

Staff Present:

Cristie Kedroski	Carla Reinlie
Jason Masters	Annie Young

Others Present:

Ray McGovern	Shane O'Dell
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Absent:

Wayne Campbell, Dennis Peters, Dale Peterson, Robin Wilson

Call to Order:

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

Approval of Minutes:

The Minutes of the November 18, 2015 meeting were approved as presented. **Motion, Mr. Wills; Second, Maj. Gen Litke. Motion carried unanimously.**

Review and Approval of December 31, 2015 Financials and Checks over \$5,000:

Ms. Kedroski presented the Statement of Financial Position, Statement of Activities and Investment Report as of December 31, 2015. Total assets are \$45,598,150 and Total Liabilities are \$0, bringing the Total Fund Balance to \$45,598,150. The Statement of Activities reflected (\$331,066) in Revenues and \$1,757,862 in Expenditures for a total Net Decrease in Fund balance of (\$2,088,928). Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$39,917,060, allocated as 3.78% Cash & Cash Equivalents, 60.24% Equity, 11.67% Alternative Investments and 24.60% Fixed Income. Ms. Kedroski also presented a listing of checks over \$5,000 from November 1 – December 31, 2015 and an update on the foundation's fiscal year 2016 annual goal. The goal for fiscal year 2016 is to raise \$767,887 and as of January 20, 2016, \$322,222 has been raised, representing 42% of the goal. **Motion, Mr. Hamilton; Second, Mr. Wills. Motion carried unanimously.**

Investment Report by the McGovern Group – Merrill Lynch:

Mr. McGovern presented a portfolio review as of January 19, 2016. In the past twelve months, the total portfolio is down 1.26%. Current holdings stand at 60.32 percent in equity, 24.46 percent in fixed income, 3.44 percent in cash and 11.78 percent in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$33,768,640 as of December 31, 2015. The total Blackrock portfolio is down .28 percent year to date and up 6.84 percent since its inception on February 26, 2013. Mr. McGovern noted that over the last couple of weeks that the market has experienced a down turn due to increased volatility and that this can be seen in the slightly decreased performance in the portfolio. **Motion, Maj Gen Litke; Second, Mr. Hamilton. Motion carried unanimously.**

Endowment Spending Allocation for Academic Year 2016-17:

Ms. Kedroski presented a chart listing the endowment spending allocation available for Fiscal Year 2016-17. She noted that per the Foundation's spending policy the award allocations are calculated as a percentage (not to exceed 4%) of the fund's prior fiscal year end balance, provided net earnings are available over and above the corpus of the fund. Due to a decrease in the investment accounts held with Merrill Lynch over the last 6 months, Ms. Kedroski suggested that the committee consider possibly reducing the award allocation to something less than the usual 4% over concern of a continued investment loss. After committee discussion, it was determined that a 4% spending allocation will be released if the amount does not invade 50% of an endowment's undistributed earnings. Those endowments with undistributed earnings unable to accommodate 4% will have a spending allocation of 3% provided the amount does not invade the endowment's corpus. **Motion, Mr. Hamilton; Second, Maj. Gen Litke. Motion carried unanimously.**

IRS Form 990:

Ms. Kedroski presented the Fiscal Year 2015 IRS Form 990 and requested approval for the presentation of the form to the Board of Directors. She also noted that preparation of the tax form has been completed by Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida, in conjunction with Foundation staff. **Motion, Maj. Gen Litke; Second, Mr. Hamilton. Motion carried unanimously.**

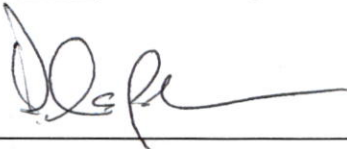
Bayer Endowment:

Ms. Kedroski noted that Dr. Peter and Ms. Martha Bayer made a donation of Facebook stock totaling \$17,171.20 on November 20, 2015. It is the intention of the donors to create a scholarship endowment, the purpose of which is yet to be determined. She noted that a meeting took place on January 19 to discuss the donors' wishes and that if the agreement is finalized in time, the contract would be brought forward at the next board meeting.

Update on Tallahassee Property:

Ms. Kedroski noted that the Tallahassee building tenant, the Council for Culture and Arts, did sign one of the lease agreements presented by the buyer but did so several weeks after the due diligence period had expired. In spite of a lease agreement, the buyer has elected not to pursue the purchase of the building. She noted that the property is back on the market.

Adjournment: There being no further business, the meeting adjourned at 9:20 a.m.



Dale Peterson, Treasurer

Date



Cristie Kedroski, Secretary

3/16/2016

Date