

NWF Foundation Finance Committee Meeting  
January 22, 2019 8:00 a.m.  
Room 301, Student Services Center

**Members Present:**

Bo Arnold	Don Litke
Chad Hamilton	J.D. Peacock
Walter Hooks	Steve Wills

**Staff Present:**

Serena Brown	Jason Masters
Cristie Kedroski	Annie Young

**Others Present:**

Shane O'Dell	Ray McGovern
--------------	--------------

**Absent:**

Eric Aden, Wayne Campbell, Jonathan Ochs, Dennis Peters, Carla Reinlie, Devin Stephenson, Dewayne Youngblood

**Call to Order:**

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

**Approve Chad Hamilton Attendance by Conference Call:**

Mr. Hamilton arranged to attend the meeting remotely via conference call.

**Approval of Committee Meeting Minutes:**

The minutes of the November 13, 2018 committee meeting were approved as presented. **Motion to approve minutes, Dr. Arnold; Second, Mr. Wills. Motion carried unanimously.**

**Review and Approval of December 31, 2018 Financials:**

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of December 31, 2018. Total assets are \$47,246,987 and Total Liabilities are \$0, bringing the Total Fund Balance to \$47,246,987. The Statement of Activities reflected (\$1,913,449) in Revenues and \$2,221,946 in Expenditures for a total Net decrease in Fund balance of (\$4,135,395). Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$43,141,513, allocated as 4.51% Cash & Cash Equivalents, 59.05% Equity, 12.22% Alternative Investments and 24.22% Fixed Income. **Motion to approve financials, Seconded and carried without dissent.**

**Approval of Checks over \$5000:**

Mr. Peacock presented a listing of checks over \$5,000 from November 1 – December 31, 2018 for the committee to review. He then pointed out checks of significance. **Motion to approve checks over \$5000, Mr. Wills; Second, Dr. Arnold. Motion carried unanimously.**

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

Mr. McGovern presented a portfolio review as of January 17, 2019. In the past twelve months, the total portfolio is down 5.40%. Current holdings stand at 62.06% in equity, 21.06% in fixed income, 4.58% in cash and 12.30% in alternative investments. Mr. McGovern also presented the custom benchmark report from

Blackrock which reflected a market value of \$35,157,065 as of December 31, 2018. The total Blackrock portfolio is down (6.26) % year to date but up 6.34 % since inception on February 26, 2013. Mr. McGovern noted the month of December has been tough on the economy, especially the stock market. He also noted that health care was the highest performing sector in the portfolio and then explained the effect the federal fund rate adjustments have played on the economy. He also touched upon the Foundation's investment portfolio and noted that the portfolio has seen some losses since November's finance meeting. He lastly mentioned that there has been lower global growth in the market and that at the request of the committee, supplied an additional page to the investment report that corresponded with the foundation's fiscal year-to-date financials. **Motion to accept investment report, Seconded and carried without dissent.**

**Endowment Spending Allocation for Academic Year 2019-20:**

Ms. Brown provided a chart listing the endowment spending allocation available for Fiscal Year 2019-20. She noted that per the Foundation's spending policy the award allocations are calculated as a percentage, not to exceed 4%, of the three year average of the endowment's market value at fiscal year-end. She also pointed out there were 5 endowed funds that were unable to support a distribution due to insufficient investment earnings. Ms. Brown lastly noted that only 2 funds were underwater as of 6/30/2018, which was a reduction from 7 underwater funds the previous year as of 6/30/2017. **Motion to approve the spending allocation as presented, Dr. Arnold.; Second, Maj Gen Litke. Motion carried unanimously.**

**Revenue Classification:**

Mr. Peacock noted that prior to fiscal year 2015, and before the migration to our current Banner system, all Foundation revenues were classified under contributions. To have a clearer financial picture of revenue sources in after the implementation, contributions were divided as gift, grant, special event or membership revenues. Ms. Brown noted that many corporate foundations often refer to their gifts as grants, which caused staff to place these gifts into the grant line item. However, after reviewing CASE Management and Reporting Standards, staff recommends these types of contributions be recognized as gifts (not grants) beginning in FY2019.

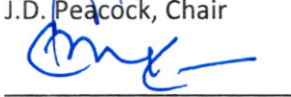
**New Endowment:**


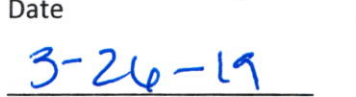
Ms. Brown noted Kendall and Denise Wagner donated \$15,000 on December 5, 2018 to create the Margaret "Peggy" Kinsella Scholarship Endowment. She then presented the donor agreement for the committee to review.

**Executive Director Remarks:**

Ms. Kedroski gave a brief update on enrollment and senior leadership change at the college. She also mentioned the major gifts campaign consultant's arrival and that 3 specific initiatives were being put forward: Student Success and Achievement Pathway, Regional Economic Development and Workforce, and Teaching and Learning Innovation. Lastly she mentioned board nomination are ongoing and encouraged members to submit a nomination if possible.

**Adjournment:** There being no further business, the meeting adjourned at 9:06 a.m.

  
\_\_\_\_\_  
J.D. Peacock, Chair  
  
\_\_\_\_\_  
Cristie Kedroski, Secretary

  
\_\_\_\_\_  
Date  
  
\_\_\_\_\_  
Date