

Minutes  
NWFSC Foundation, Inc.  
Board of Directors Meeting  
February 3, 2016 7:45 a.m.  
Morell Room #302, Student Services Center, 3<sup>rd</sup> Floor, Niceville Campus

**Directors Present:**

Bethany Burke  
Wayne Campbell  
David Costa  
Mike Flynt  
Chad Hamilton  
Scott Jackson  
Don Litke

Jeff McInnis  
Mitch Mongell  
Venita Morell  
Dale Peterson  
Melissa Pilcher  
Donnie Richardson  
Steve Wills  
Dewayne Youngblood

**Staff Present:**

Serena Brown  
Cristie Kedroski  
Jason Masters

Carla Reinlie  
Annie Young

**Others Present:**

Sasha Jarrell  
Greg Dvorsick  
Stefan Makarov

Ray McGovern  
Shane O'Dell  
Jeanette Shires

**Absent:** Bart Fleet, Lois Lunderman, Dennis Peters, Tom Rice, Fred Thomas, Robin Wilson

**Call to Order**

Mr. Scott Jackson called the meeting to order at 7:45 a.m.

**Welcome Board Members and Guests**

Mr. Jackson welcomed Board Members, guests, and staff members.

**Approval of Minutes**

The minutes of the December 2, 2015, Board of Directors Meeting were approved. **Motion, Gen. Litke; Second, Mr. Wills; Motion carried unanimously.**

**Finance and Investment Reports**

Mr. Peterson reviewed the summary of Financial Position, the Statement of Activities, and the Investment Report as of December 31, 2015 with board members. 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 (\$2,088,943). The Net Decrease to the Merrill Lynch EMA account since July 1, 2015 was (\$1,232,704) bringing the Total Market Value to \$39,672,714 at December 31, 2015. The Net Decrease to the Vanguard Wellington Account (Science Development Fund) from July 1 through December 31, 2015 was (\$495) bringing the Total Market Value to \$244,346 as of December 31, 2015. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$39,917,060. The portfolios are allocated as 3.78% Cash & Cash Equivalents, 60.24% Equity, 11.67% Alternative Investments and 24.30% Fixed Income. Ms. Kedroski noted that the foundation has not yet paid the scholarship invoice but anticipates that

it will be paid by the end of the week. She pointed out that this is the reason for the large difference in the fund balance's total expenses from the prior fiscal year. **Motion, Mr. McInnis; Second, Mr. Flynt; Motion carried unanimously.**

#### **FY 2015 Audited Financial Statements/IRS Form 990**

Ms. Kedroski presented the Fiscal Year 2015 IRS Form 990 to the board and requested approval. Preparation of the tax form had been completed by Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida, in conjunction with Foundation staff. **Motion, Mr. Hamilton; Second, Mr. Richardson; Motion carried unanimously.**

#### **Martha and Peter Bayer Family Scholarship Endowment**

Ms. Kedroski presented the donor agreement for the Martha and Peter Bayer Family Scholarship Endowment. She noted that the endowment gift of \$17,171 was received via a transfer of Facebook stock on November 20 and that it will provide a scholarship to a need-based student with a preference given to a student majoring in an allied health field.

**Motion, Mr. Youngblood; Second, Mr. Wills; Motion carried unanimously.**

#### **Endowment Spending Allocation for Academic Year 2016-17**

Ms. Kedroski gave a brief presentation on the Foundation's endowments and spending allocations 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 (6/30/15) balance, provided net earnings are available over and above the corpus of the fund.

Due to a decrease of approximately 7.56% in the market during the last six and a half months, the Finance Committee suggests that a 4% spending allocation to be released if the allocated amount does not invade 50% of the endowment's undistributed earnings. Endowments with undistributed earnings with less than 50% of the allocation will have a spending of 3%, provided the allocation does not dip into the corpus. Ms. Kedroski plans to have the Finance Committee take a look at shifting to a 3 year rolling average to determine the spending allocation.

#### **Board Nominations**

Mr. Youngblood noted that eight nominees have been submitted to the Governance Committee and that the interview process would be starting shortly to narrow the pool down to the desired two board members.

#### **Update on Tallahassee Building**

Mr. Peterson stated that the Tallahassee Building is still currently on the market. He suggested lowering the price of the property to a range of \$425,000 to \$430,000. Ms. Kedroski noted that they are seeking approval from the board for these actions and the board responded with a consensus that Mr. Peterson and Ms. Kedroski could list the property at any price that they see fit as long as it is above the appraised value.

#### **Greg Dvorsick, Blackrock Manager**

Mr. Dvorsick gave an update on the current market environment and its effects on the Foundation's portfolio and earnings. One important point that he noted was that their firm's major focus in our portfolio is to obtain consistent returns and managing risk for the long term.