

NWFSC College Foundation Board of Directors Meeting

February 5, 2020 8:00 a.m.

Janet Nadel Morell Room #302, Student Services Center, 3rd Floor, Niceville Campus

**Directors Present:**

Bo Arnold  
Marek Bakun  
Chad Hamilton  
Bernard Johnson  
Don Litke  
Michelle McGee  
Jeff McInnis  
Jonathan Ochs

J.D. Peacock  
Dale Peterson  
Donnie Richardson  
Ashley Rogers  
Hu Ross  
Fred Thomas  
Steve Wills  
Alan Wood

**Staff Present:**

Shiri Brandenburg  
Cristie Kedroski  
Carla Reinlie

Annie Young  
Melissa Wolf-Bates

**Others Present:**

Julie Cotton, Layne Eggers, Ray McGovern, Shane O'Dell, Deidre Price, Nate Slaton, Christine Smith

**Absent:**

Eric Aden, Wayne Campbell, Walter Hooks, Tyler Jarvis, Heather Kilbey, Gordon King, Mitch Mongell, Dennis Peters, Melissa Pilcher, Tom Rice, Devin Stephenson, Ken Wampler, Steve Wolfrom, Dewayne Youngblood

**Call to Order:**

Mr. McInnis called the meeting to order at 8:06 a.m.

**Welcome Board Members and Guests:**

Mr. McInnis welcomed board members and introduced guests and staff members.

**Approval of August Board Minutes:**

The minutes of the November 6, 2019, Board of Directors Meeting were approved. **Motion to approve minutes as presented, Mr. Peterson; Second, Mr. Wills; Motion carried unanimously.**

**Finance and Investment Reports:**

Mr. McInnis reviewed the summary of Financial Position, the Statement of Activities, the Investment Report, and a review of the Operating Budget as of December 31, 2019. Total Assets are \$55,918,012 and Total Liabilities are \$27,500, bringing the Total Fund Balance to \$55,890,512. The previous fiscal year Total Fund Balance was \$47,246,987. The Statement of Activities reflected \$4,091,519 in Revenues and \$1,727,580 in Expenditures for a total Net Increase in Fund balance of \$2,363,939. The previous fiscal year Total Revenues were (\$1,913,449) and \$2,221,946 in Expenditures for a Net Decrease of (\$4,135,395.) Since July 1, 2019, the Merrill Lynch EMA account saw a Net Increase in the amount of \$3,130,098. This brought the total market value to \$50,744,294 at December 31, 2019. The net increase to the Vanguard Wellington Account (Science Development Fund) since July 1, 2019 was \$22,358, bringing the total market value to \$275,446 as of December 31, 2019. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$51,019,740. The portfolios are allocated as 5.00% Cash &

Cash Equivalents, 59.28% Equity, 10.84% Alternative Investments and 24.88% Fixed Income. A review of the Operating Budget as of December 31, 2019, showed Total Expenses at \$147,437, leaving 40% of the budget available for the remainder of the fiscal year. **Motion to approve the December 31, 2019 Finance and Investment Reports as presented, Dr. Arnold; Second, Mr. Hamilton; Motion carried unanimously.**

**Approve FY19 Audited Financial Statements/Form 990:**

Mr. McInnis reviewed the highlights of the FY19 audited financial statements and form 990. The net position was \$53,526,569 at the close of the fiscal year. This reflects an increase of 4% over the previous fiscal year, and of the \$51.5 million in total assets, \$3.9 million rested in capital assets. Total liabilities were \$107,939, with \$90,645 due to the college, and \$17,294 due to other outside vendors. At June 30, 2019 the amount of underwater funds decreased from 2 to 0. Total gifts, contributions, grants and other income, increased \$319,756 from 2018 to 2019, totaling \$1,092,150 at June 30, 2019. Additions to permanent endowments totaled \$1,564,759 at year-end. Total college support was \$1.9 million. These payments reflected \$433,118 in scholarship expenses, and \$2.2 million in program and other support to the college. Ms. Kedroski added that about half of the Foundation's portfolio is comprised of endowed scholarships. **Motion to approve the FY 2019 NWFSC Foundation Audited Financial Statements and IRS Form 990 as presented, Dr. Arnold; Second, Mr. Wills. Motion carried unanimously.**

**New Endowments:**

Mr. McInnis presented the new endowments. The Lucinda J. Frakes Scholarship Endowment created by Ms. Lucinda "Cindy" Frakes will provide scholarship support to a student enrolled at Northwest Florida State College who is pursuing an AS degree in a career or technical field. **Motion to approve the Lucinda J. Frakes Scholarship Endowment agreement as presented, Mr. Peterson; Second, Maj Gen Litke. Motion carried unanimously.** The Jeff and Leonora Claudio Scholarship Endowment created by Mr. Jeff Claudio and Ms. Leonora Claudio will provide scholarship support to students enrolled at Northwest Florida State College and pursuing a degree in nursing or an EMS certificate. **Motion to approve the Jeff and Leonora Claudio Scholarship Endowment agreement as presented, Mr. Wood; Second, Dr. Arnold. Motion carried unanimously.** The Scott Jackson Family Scholarship Endowment Created by Mr. Scott Jackson will provide scholarship support for students enrolled at Northwest Florida State College. **Motion to approve the Scott Jackson Family Scholarship Endowment agreement as presented, Mr. Peterson; Second, Maj Gen Litke. Motion carried unanimously.**

**Major Gifts/Development Committee Report:**

Mr. Peacock reviewed the current campaign totals and the status of each division. The current total of campaign gifts is \$4,421,353 and the total of all gifts received by the Foundation since the beginning of the campaign on July 1, 2018 is \$6,399,239. He noted the 100% participation during the Board Division and 62% participation during the Employee Division. He also thanked those who have opened their homes and businesses to the Leadership Awareness Events and presented the schedule of Community Awareness events as the campaign moves into the public phase. He then highlighted the alumni awards and the upcoming nomination deadline of March 1, 2020. Additionally he shared that the updated scholarship awarding process has shown a 38% increase in funds awarded to students. Only 62% of funds were awarded in fiscal year 2018-2019 and 88% awarded in fiscal year 2019-2020.

**Governance Committee Report:**

Mr. Hamilton reviewed the Board members term limiting out as of June 30, 2020 and those eligible for reappointment. He reminded members that the deadline for nominations is Friday, February 7 and reiterated the committee's desire to appoint/re-appoint a total of 7-10 members.