

NWF Foundation Finance Committee Meeting
September 19, 2018 8:00 a.m.
Room 301, Student Services Center

Members Present:

Eric Aden	Don Litke
Bo Arnold	Jonathan Ochs
Chad Hamilton	Dennis Peters

Staff Present:

Serena Brown	Jason Masters
Cristie Kedroski	Annie Young

Others Present:

Shane O'Dell	Ray McGovern
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Absent:

Wayne Campbell, Walter Hooks, J.D. Peacock, Devin Stephenson, Steve Wills, Dewayne Youngblood

Call to Order:

Mr. Hamilton called the meeting to order at 8:02 a.m.

Approval of Committee Meeting Minutes:

The minutes of the July 18, 2018 committee meeting were approved as presented. **Motion to approve minutes, Dr. Arnold; Second, Mr. Peters. Motion carried unanimously.**

Review and Approval of August 31, 2018 Financials:

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of August 31, 2018. Total assets are \$53,459,635 and Total Liabilities are \$2,312, bringing the Total Fund Balance to \$53,457,323. The Statement of Activities reflected \$2,330,966 in Revenues and \$256,025 in Expenditures for a total Net increase in Fund balance of \$2,074,941. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$49,333,519, allocated as 3.26% Cash & Cash Equivalents, 63.86% Equity, 10.66% Alternative Investments and 22.22% Fixed Income. **Motion to approve financials, Dr. Arnold; Second, Mr. Aden. Motion carried unanimously.**

Approval of Checks over \$5000:

Mr. Hamilton also presented a listing of checks over \$5,000 from July 1 – August 31, 2018 for the committee to review. Ms. Brown then pointed out checks of significance. **Motion to approve checks over \$5000, Maj Gen Litke; Second, Mr. Peters. Motion carried unanimously.**

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

Mr. McGovern presented a portfolio review as of September 18, 2018. In the past twelve months, the total portfolio is up 11.65%. Current holdings stand at 66.94% in equity, 19.02% in fixed income, 3.31% in cash and 10.73% in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$41,152,221 as of August 31, 2018. The total Blackrock portfolio is up 6.12% year to date and up 9.16% since inception on February 26, 2013. Mr. McGovern noted the economy is steady and continues to see progression. He also noted that the unemployment rate is at its lowest in 40 years 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 been doing well since July's finance meeting. He lastly mentioned that growth in the market has flattened out and that stocks are the assets of choice even though returns are more subdued. **Motion to accept investment report, Mr. Ochs; Second, Dr. Arnold. Motion carried unanimously.**

College Courtyard Apartments - P&L Analysis:

Ms. Brown gave a brief update on the background of the college apartments and provided a chart that outlined their profit/(loss) over the past six fiscal years. She noted, every year since 2008 the Foundation has distributed 2% interest to the funds in the investment pool, and that a total of six principal payments on the 30-year amortization schedule have been made, bringing the total balance of the internal loan from \$4,907,029 to \$4,144,012. Ms. Brown stated that the principal payment is expensed from the rental apartment line annually. Also provided was a complete loan amortization schedule. Ms. Brown informed the committee that additional expenses such as internet and cable for Raider Housing began in fiscal year 2016, and that newly contracted grounds maintenance and much needed external maintenance to the buildings and parking lots have resulted in a loss in 2017-2018. Ms. Kedroski noted that Dr. Stephenson has expressed interest in providing on-campus dorms in the future and wanted committee members to be aware how it could affect the apartments. The committee then had a discussion on the possible opportunities to have a 3rd party provide housing services on campus. Ms. Kedroski lastly mentioned that she would take the committee's recommendations to executive level staff to increase its priority.

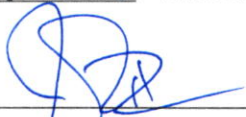
Other Business:

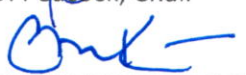
Ms. Brown noted that Mauldin & Jenkins concluded its fieldwork for the FY2018 financial audit and that no concerns have been raised. She also mentioned the draft audit is scheduled to be presented at the November Finance Committee Meeting. Ms. Brown lastly mentioned the governance committee would be choosing a candidate on September 20 to fill the treasurer position.

Executive Director Remarks:


Ms. Kedroski mentioned that the college has hired a new Grant Director and Dean of Career Education and that foundation staff have moved from the administration building to the student service center. She also encouraged committee members to attend the many upcoming events such as the Raider Central grand opening, career day, the Raider golf tournament and the President's speaker series event "Bridging the Political Divide" with Sarah Palin and Donna Brazile.


Adjournment: There being no further business, the meeting adjourned at 9:26 a.m.



J.D. Peacock, Chair


Cristie Kedroski, Secretary



Date


Date