

Minutes  
NWFSC Foundation, Inc.  
Board of Directors Meeting  
December 2, 2015 7:45 a.m.  
Room 126, Building 1, Fort Walton Beach Campus

**Directors Present:**

Bethany Burke  
David Costa  
Chad Hamilton  
Scott Jackson  
Don Litke  
Lois Lunderman  
Jeff McInnis

Mitch Mongell  
Venita Morell  
Dennis Peters  
Melissa Pilcher  
Tom Rice  
Donnie Richardson  
Steve Wills  
Dewayne Youngblood

**Staff Present:**

Cristie Kedroski  
Jason Masters

Carla Reinlie  
Annie Young

**Others Present:**

Ross Hamilton  
Ty Handy  
Kirsten Kilpatrick

Ray McGovern  
Shane O'Dell  
Jeanette Shires

**Absent:** Serena Brown, Wayne Campbell, Bart Fleet, Mike Flynt, Dale Peterson, 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. Ms. Kirsten Kilpatrick, Patricia Ackal Nursing scholar, introduced herself and shared her aspirations after graduating from Northwest Florida State College.

**Approval of Minutes**

The minutes of the October 7, 2015, Board of Directors Meeting were approved. **Motion, Mr. McInnis; Second, Mr. Peters; Motion carried unanimously.**

**Finance and Investment Reports**

In Mr. Peterson's absence, Ms. Kedroski reviewed the summary of Financial Position, the Statement of Activities, and the Investment Report as of October 31, 2015 with board members. Total assets are \$46,137,595 and Total Liabilities are \$65,937 bringing the Total Fund Balance to \$46,071,658. The Statement of Activities reflected (\$2,745) in Revenues and \$1,612,690 in Expenditures for a total Net Decrease in Fund balance of (\$1,615,435). The Net Decrease to the Merrill Lynch EMA account since July 1, 2015 was (\$690,543) bringing the Total Market Value to \$40,197,703 at October 31, 2015. As of September 30, 2015 the Vanguard Wellington Account (Science Development Fund) held a Total Market Value of \$234,826. Since statements are provided quarterly there is no update as of October 31st. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$40,432,530, allocated as 3.11% Cash &

Cash Equivalents, 61.17% Equity, 11.54% Alternative Investments and 24.17% Fixed Income. Ms. Kedroski noted that the foundation has not yet paid the scholarship invoice and that there are timing issues with some expenditures in Banner. She pointed out that this is the reason for the large difference in the fund balance's total expenses from last board meeting. Ms. Kedroski also noted that the statement of activities and position report now are able to provide current year totals. **Motion, Mr. Youngblood; Second, Ms. Morell; Motion carried unanimously.**

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

Ms. Kedroski presented the Fiscal Year 2015 Northwest Florida State College Foundation Audited Financial Statements to the board members. An independent audit was conducted by the firm of Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida and Ms. Kedroski reviewed some of the highlights. The net position of the foundation was \$47,687,091 at the close of the fiscal year. This reflects an increase of 1.6% over the previous fiscal year. Of the \$47.8 million in assets, \$4.9 million rests in capital assets. Total assets were \$47,844,207, with just over \$157 thousand in outstanding accounts payable - \$9 thousand is due to the college and \$148 thousand is due to other outside vendors. Contributions increased \$545 thousand from 2014 to 2015, with gifts, contributions, memberships, and endowment revenue residing at \$1.1 million at year end. Total college support was \$1.4 million. These payments reflected \$437 thousand in scholarship expenses, and \$1 million in support of the college. Ms. Kedroski also noted that Mauldin and Jenkins is still in the process of preparing IRS Form 990 and that it will be ready for approval by the next board meeting. **Motion to approve the Fiscal Year 2015 Audited Financial Statements, Mr. Hamilton; Second, Mr. McInnis; Motion carried unanimously.**

#### **Property Management RFQ**

Ms. Kedroski noted that The Foundation received four responses to Property Management RFQ #16-04 as of the deadline on October 9, 2015. An evaluation committee was formed, which was comprised of Serena Brown, Sam Jones, Cristie Kedroski, Don Litke, and Dale Peterson. Proposals were received from Coastal Realty Service, Century 21 Wimco Realty, Pelican Property Management #1, and ERA American Real Estate, the Foundation's current property management service. After evaluating each company on a number of criteria including fees, advertising, applicant screening, accounting processes, as well as maintenance and repairs, a unanimous decision was made in favor of continuing our relationship with ERA American Real Estate. The evaluation committee made its decision contingent upon proof of insurance in the form of Crime and Professional Liability (E&O). Following the meeting the required insurance coverage was confirmed. Ms. Kedroski also noted that out of all four proposals ERA American Realty Service had the lowest price. **Motion to award the property management contract to ERA American Real Estate, Maj Gen Litke; Second, Ms. Burke and Ms. Pilcher; Motion carried unanimously.**

#### **Approval of the Sale of the Tallahassee Building**

Ms. Kedroski presented the contract for the sale of the Tallahassee building, noting the purchase price of \$425,000 and 90-day close (45 day due diligence period followed by a 45 day closing). While the initial contract was approved by the executive committee, the buyer requested a price reduction of \$30,000 due to A/C units and a roof that are beyond their useful life at more than 20 years old. In addition, the buyer requested an extension of the due diligence period until noon on December 1. On November 31, Ms. Kedroski was informed by the buyer that they were going to withdraw from the contract. She noted that the buyer seems to have the contract contingent on the current tenant renewing the lease, and that the tenant has been