

NWFSC Foundation Finance Committee Meeting  
July 27, 2021 8:00 a.m.  
Room 308, SSC, Niceville Campus

**Members Present**

Bo Arnold

Christie Austin

Jim Bagby

Destin Cobb

Don Litke

Vincent Mayfield

Brian Pennington

Steve Rhodes

Alan Wood

**Other Members:**

Ray McGovern

Shane O'Dell

**Staff Present:**

Shiri Brandenburg

Kelly Copeland

Cristie Kedroski

Kira Magruder

Carla Reinlie

**Absent:**

Jonathan Ochs

**Call to Order:**

Mr. Wood called the meeting order at 7:55 a.m.

**Approval of Committee Meeting Minutes:**

The minutes of the April 27, 2021 committee were as presented. **Motion to approve minutes, Dr. Arnold; Second, Mr. Cobb. Motion carried unanimously.**

**Role of Finance Committee:**

Mr. Wood gave an overview of what the committee is responsible for. He highlighted that their role includes recommending actions and policies to the Board regarding the expansion and investment of funds.

**Review of the Investment Policy:**

Mr. Wood gave an overview of the investment policy and encouraged committee members to review the complete investment policy. He stated it is provided as an informational item and that staff is not recommending any changes at this time.

**Financial Reports:**

Ms. Brandenburg presented the Statement of Financial Position, Statement of Activities, and the investment report as of June 30, 2021. Total Assets are \$65,615,006 and Total Liabilities are \$301, bringing the Total Fund Balance to \$65,614,705. Total Revenues were \$16,665,959 and Total Expenses were \$3,615,098 for a Net Increase in Fund balance of \$13,050,861. A Statement of Activities from the

previous fiscal year as of June 30, 2020 shows Total Revenues of \$2,217,232 and Total Expenses of \$3,179,961 for a Net Decrease in Fund balance of (\$962,729). The Net Increase to the Merrill Lynch EMA account since July 1, 2020 was \$14,020,338, bringing the Total Market Value to \$60,884,656 at June 30, 2021. The Net Increase to the Vanguard Wellington Account (Science Development Fund) since July 1, 2020 was \$67,053, bringing the Total Market Value to \$323,517 as of the last statement date of June 30, 2021. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$61,208,173. The portfolio allocation was 3.30% Cash & Cash Equivalents, 66.16% Equity, 8.45% Alternative Investments and 22.09% Fixed Income. As of June 30, 2021 Total Operating Expenditures were \$176,713, leaving 40% of the budget available at the end of the fiscal year. **Motion to approve financials, Maj Gen Don Litke; Second, Mr. Rhodes. Motion carried unanimously.**

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

Mr. McGovern presented a portfolio review as of June 30, 2021 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$40,240,074 as of June 30, 2021, reminding the committee that the Blackrock report is not a representation of the Foundation's entire investment portfolio with Merrill Lynch. The Merrill Lynch report shows investment allocations stand at 68.68% equity, 19.56% fixed income, 3.27% cash and 9.79% alternative investments at June 30, 2021. Mr. Bagby inquired about the benchmark targets noted in the Merrill Lynch reports as compared to the Foundation's Investment policy. Mr. McGovern will review the portfolio benchmark to ensure it is aligned with the benchmarks noted in the investment policy asset allocation plan.

#### **Approval of Checks over \$5,000:**

Ms. Brandenburg presented a listing of checks over \$5,000 from March 31, 2021 through June 30, 2021 for the committee to review. She noted the number of invoices that are related to the College Courtyard Apartments. **Motion to approve checks over \$5,000, Mr. Bagby; Second, Dr. Arnold. Motion carried unanimously.**

#### **New Endowment:**

Mr. Gaius Bruce established the Ira Mae and Gaius Bruce Wellness Classrooms Endowment with a gift of \$60,000. This endowment will provide program support for the athletic and/or wellness programs at Northwest Florida State College. **Motion to approve the Ira Mae and Gaius Bruce Wellness Classrooms Endowment as presented, Mr. Pennington; Second, Maj Gen Don Litke. Motion carried unanimously.**

#### **College Apartment Sale Proceeds and Internal Loan Payoff:**

Ms. Brandenburg provided an update on the college apartments and sale proceeds. The closing for the Courtyard Apartments occurred on July 26, 2021. The Foundation intends to use the proceeds to pay off the \$3,727,130 internal loan. Staff have been working with the Foundations auditors, Mauldin & Jenkins, regarding procedures and journal entries to pay back the loan. The committee discussed the allocation of proceeds with regards to repayment of the internal loan. **Motion to approve the decision to allocate the sale of the proceeds of the internal loan payoff consistent with previous practices that distribute proceeds across all funds in the investment pool, Mr. Bagby; Second, Mr. Pennington. Motion carried unanimously.**

#### **Ramba Consulting Group, LLC Contract:**

Ms. Kedroski presented the Ramba Consulting Contract for December 1, 2021 through November 30, 2022 for \$65,000. Ramba Consulting has ensured Northwest Florida State College has obtained necessary funding to grow the college. **Motion to approve the contract totaling \$65,000 with Ramba**