

Winthrop University Foundation**Board of Directors Meeting | Key Messages*****December 6, 2019 | 1:00-4:00pm****Room 114, DiGiorgio Campus Center | Winthrop University**

The Winthrop University Foundation Board of Directors met on Friday, December 6, 2019 at 1:00 p.m. in Room 114 in the DiGiorgio Campus Center, Winthrop University, Rock Hill, SC.

Call to Order and Opening Remarks

- Mr. Bob Breakfield, Foundation President, presented Mr. Gerry Schapiro with a framed resolution and gift from the Foundation Board thanking him for twenty-two years of service.
- Minutes of the August 23, 2019 Foundation Board of Directors meeting were unanimously approved as presented.

Operations Committee Report

- Mr. Matt Dosch reported that there was an increase of \$2,871,037 in the total investment portfolio at the end of October 2019 taking the market value to \$60,819,939. The increase includes a transfer of \$800,000 from the Foundation's operating fund and a \$1,811,094 change in market value.
- As of October 31, 2019, expenses are on track with where they should be at the end of ten months with 86.4% of the total budget of \$929,917 spent. After all 2019 gifts have been accounted for, the resulting surplus will be allocated by the Foundation Board.
- The Executive Committee was given the power, by unanimous voice vote, to allocate the budget surplus to the area most needed.
- In a presentation, Mr. Spratt White explained the three components that make up the Foundation's unrestricted net assets which includes the Winthrop Endowment, the operating cumulative surplus or deficit, and an unrestricted reserve account, yet to be created. The unrestricted reserve account would be built by the earnings on non-endowed funds in the investment portfolio. Until this point, the Foundation has not had a reserve account.
- Four resolutions passed by unanimous voice vote including the Policy for Undesignated Planned Gifts (Winthrop Endowment), Policy for Corpus and Earnings of the Winthrop Endowment, Policy for Allocation of Earnings on Non-Endowed Funds, and Policy for Unrestricted Net Assets.
- The Winthrop University Foundation Land and Real Estate Subsidiary, LLC (the LLC) closed on the office suite at Shiland Commons on Wednesday, December 4, 2019 for \$84,000.
- Mrs. Embry shared that there is a potential buyer for the two office suites at Northlake 1. Mrs. Embry has been working with Mr. Wes Tuttle of The Tuttle Company to negotiate the sale.
- The proposed budget for 2020 was presented. The budget was passed as presented by an unanimous voice vote.

Audit Committee Report

- The Audit Committee met with Mrs. Elizabeth Sparks from C. Dewitt Foard & Company, P.A. on Tuesday, December 3, 2019 to discuss a timeline for the 2019 audit.
- The auditors will perform their field work on February 25-26, 2019 and plan to conclude all work by April 30, 2020.

Investment Committee Report

- Mr. Shene reported on behalf of the Investment Committee that as of December 5, 2019, the total investment portfolio is valued at \$62.4M with earnings at 19.3%.
- An asset allocation adjustment was made in August 2019 to reduce REITs by 5%. The Foundation's portfolio is now 65% equity, 30% fixed income, and 5% REITs.
- Mr. Shene stated that the trade war with China has created a great deal of volatility in the market.
- Mr. Shene reported that the Investment Committee discussed alternate types of gifts that may be given to the Foundation in coming years like cryptocurrency. The Foundation has the right to accept or deny gifts.

**These key messages are provided for information only and are not intended to reflect the complete discussions and actions of the Winthrop University Foundation staff or Board of Directors. A private 501(c)(3) foundation, the Winthrop University Foundation provides support to the Winthrop University community through the gifts of private donors.*

Development Committee Report

- Mrs. Jan Ivey reported on behalf of the Development Committee and reported that Winthrop's new E-sports team, sponsored by Comporium, has had a great season so far.
- Mrs. Lori Tuttle described the 2019 Homecoming and Reunion week in November. Winthrop had almost 10,000 alumni celebrating a reunion year between five and eighty years.
- The classes of 1970 and 1973 have decided to raise money for the Tillman Fountain instead of a class scholarship. Mrs. Tuttle has worked with facilities to come up with a menu of possible campus projects that classes could raise money for in the future.
- Mr. Bohnen reported that as of November 30, 2019, cash receipts for the Winthrop Fund totaled \$292,000. As of December 5, \$300,000 has been raised in new gifts.
- The goal for 2019 was 110 members and as of December 5, 2019, there are 120 members.

Nominations Committee Report

- A motion passed for renewal of Board service for Vivian Carroll, Chelsea Brown, Terry Grayson-Caprio, Creighton Hayes, and Sue Rex.
- A motion passed for Andy Popenfoose, Chris Tidwell, and Andy Wilson to join the Board in 2020.

Executive Director's Report

- Mrs. Embry explained that the Foundation funded \$4.4M in scholarships and support to the University in the 2018-2019 academic year. This funding was dependent on the market earnings from 2017.
- The allocation decreased to \$3.5M for the 2019-2020 academic year due to a market downturn in 2018. \$1,016,671 was available from endowments, \$2,271,219 from temporarily restricted, and \$241,000 from unrestricted funds. Because of the loss of (6.18%) in the market in 2018, 205 of the 422 endowments are underwater in comparison to only 47 endowments underwater in 2018-2019.
- Mrs. Embry shared an endowment analysis from 2006 to 2018 showing the effects of the increased management fee in 2009 to 6%. The Foundation began to decrease the fee in 2016, with a present rate of 1.5% for 2019.
- Mrs. Embry reported that the Foundation staff visited Coastal Carolina for a mutual exchange of information.

Foundation President's Report

- Mr. Breakfield briefly reported that the Memorandum of Understanding is still in the editing phase and will be ready for adoption in May 2020.
- Mr. Breakfield and Mr. Watts Huckabee met with Dr. Ken Halpin at the end of November to discuss a wish list of projects needed in the athletic department including resurfacing the tennis courts.
- Mr. Breakfield reviewed an analysis showing the possibility of the Foundation's endowment reaching \$150M in eight years. He believes that with the work of all involved including the development team, the Board, and University leadership, the Foundation is on the right track to reach this goal.