



Agenda
Edison State College Financing Corporation (the "Corporation")
Lee Campus – Board Conference Room I-228
May 21, 2013
4:00 p.m.

Call to Order

Vote to Take Action On:

1. Approval of Minutes Regular Meeting March 12, 2013
(Presenter: John Noland) (Page 1)
2. Election of Board of Directors Officers (Presenter: Mark Lupe) (Page 4)

Information Only

3. Edison State College Financing Corporation Year End Financial Statements
and Investment Report (Presenter: Gina Doeble) (Page 5)

Board Members' Comments

President's Comments

Adjournment



Minutes
Edison State College Financing Corporation (the "Corporation")
Lee Campus – Board Conference Room I-228
March 12, 2013
4:00 p.m.

The Edison State College Financing Corporation met in Lee County, Florida, on March 12, 2013 at 4:02 p.m. with the meeting called to order by John Noland, Chair.

Members Present: Dr. Jeffery Allbritten, Corporation President
John Noland, Chair
Eddie Webb, III, Vice Chair
David Hall, Secretary
Mary Lee Mann
Randall Parrish, Jr., O.D.
Chris Vernon

Others Present: Mark Lupe, General Counsel
Gina Doeble, Treasurer
Dr. Christine Davis, VP, Student Affairs/Enrollment Mgt.
June Hollingshead, Recorder

Report to the Board of Directors – None

Vote to Take Action On:

Agenda Item #1. Approval of Minutes Regular Meeting January 8, 2013
(Presenter: John Noland) (Page 1)

MOTION by David Hall, seconded by Randy Parrish, to approve the minutes of the regular meeting January 8, 2013, as presented. Approved unanimously.

Agenda Item #2. Approval of Exhibit E to the Master Personal Services Agreement with the District Board of Trustees of Edison State College for the Services of an Assistant Director, Residence Life and a Residence Life Specialist
(Presenter: Mark Lupe) (Page 4)

MOTION by David Hall, seconded by Mary Lee Mann, to approve Exhibit E to the Master Personal Services Agreement with the District board of Trustees of Edison State College for the services of an Assistant Director, Residential Life and a Residence Life Specialist, as presented. Approved unanimously.

ESC Financing Corporation/Minutes
March 12, 2012
Page two

Agenda Item #3. Approval of Exhibit F to the Master Personal Services Agreement with the District Board of Trustees of Edison State College for Maintenance Technician Services (Presenter: Mark Lupe) (Page 9)

MOTION by David Hall, seconded by Mary Lee Mann, to approve Exhibit F to the Master Personal Services Agreement with the District Board of Trustees of Edison State College for Maintenance Technician Services, as presented. Approved unanimously.

Agenda Item #4. Approval of Exhibit G to the Master Personal Services Agreement with the District Board of Trustees of Edison State College for Public Safety Technician Services (Presenter: Mark Lupe) (Page 13)

MOTION by David Hall, seconded by Mary Lee Mann, to approve Exhibit G to the Master Personal Services Agreement with the District Board of Trustees of Edison State College for Public Safety Technician Services, as presented. Approved unanimously.

Agenda Item #5. Approval of a Personal Services Agreement with the District Board of Trustees of Edison State College for Personal Services for Financial, Accounting and Legal Services (Presenter: Mark Lupe) (Page 22)

MOTION by David Hall, seconded by Mary Lee Mann, to approve the Personal Services Agreement with the District Board of Trustees of Edison State College for financial, accounting and legal services, as presented. Approved unanimously.

NOTE:

Mr. Vernon requested that the fiscal impact section on the District Board of Trustees agenda item cover sheets be used on Financing Corporation agenda item cover sheets beginning with the next meeting.

Agenda Item #6. Adoption of the 2013-14 Budget (Presenter: Gina Doeble) (Page 29) (Backup Booklet in Rear)

MOTION by David Hall, seconded by Eddie Webb, to approve the 2013-2014 Financing Corporation budget, as presented. Approved unanimously.

Agenda Item #7. Discussion and Approval of the Dates, Time and Location for the Regular Meeting Schedule for April 1, 2013 – March 31, 2014 (Presenter: Gina Doeble) (Page 30)

MOTION by Mary Lee Mann, seconded by Randy Parrish, to approve the dates, time and location for the regular meeting schedule of the Edison State College Financing Corporation, as presented. Approved unanimously.

Board Members' Comments

President's Comments

- Dr. Allbritten introduced Dr. Christine Davis, the new Vice President of Student Affairs and Enrollment Management who spoke briefly about the need for more programming for the dormitory students, the President's Leadership Scholarship Program, and direct-mail campaigns targeted to out-of-state students, notably New England, the Mid West, and Georgia, as well as the possibility of limiting the dorms to full-time students only.
- Dr. Allbritten also spoke about possible international expansion initiatives with the upcoming arrival of the new Provost and Vice President of Academic Affairs, Dr. Denis Wright, who has an international relations background.
- Dr. Allbritten reported that the College's SACS Monitoring Report was submitted a week earlier than the deadline, and the visiting team will be on Campus April 8 – 10, 2013.
- Dr. Allbritten and Mrs. Mann led discussion regarding the ESC Foundation's purchase of the Winkler Road property and a possible purchase of the note by the Financing Corporation. The adjoining Atray property was also discussed.

Adjournment – The meeting was adjourned at 5:05 p.m.

Dr. Jeffery S. Allbritten
Corporate President
Board of Directors

John Noland, Chair
Board of Directors

Date

Date

Meeting of the
EDISON STATE COLLEGE FINANCING CORPORATION
May 21, 2013

AGENDA ITEM: 2

Election of Board of Directors Officers

RECOMMENDATION:

It is the recommended that the Edison State College Financing Corporation Board of Directors elect a Chair and Vice-Chair.

STAFF ANALYSIS:

SECTION 4.2 of the Bylaws of the Edison State College Financing Corporation provide:

Appointment and Term of Office. The Chair and Vice-Chair shall be elected by the Board of Directors at the annual meeting. Vacancies occurring in this office may be filled at any regular or special meeting of the Board of Directors by majority vote. The President shall appoint all other officers of the Corporation and shall promptly report such appointments to the Board of Directors.

Pursuant to the corporate bylaws it is recommended that the Board of Directors of the Edison State College Financing Corporation elect a Chair and Vice-chair for 2013-2014.

RECOMMENDED BY:



Corporation Treasurer

APPROVED FOR AGENDA BY:



Corporation President

Meeting of the
EDISON STATE COLLEGE FINANCING CORPORATION
May 21, 2013

AGENDA ITEM: 3

**Edison State College Financing Corporation Year End
Financial Statements and Investment Report**

RECOMMENDATION:

INFORMATION ONLY

STAFF ANALYSIS:

Table #1

This report is for informational purposes only and requires no action by the Board. It compares the actual sources and uses of operating and housing funds to the budgeted sources and uses of funds for the current fiscal period. It is provided to give the reader an indication of how the Financing Corporation is performing in relation to its current budget.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are financial reports used to evaluate the financial position of the Financing Corporation. The Statement of Net Position reflects the assets and liabilities of the Financing Corporation using the accrual basis of accounting, and presents the financial position of the Financing Corporation at a specified time. The Statement of Revenues, Expenses and Changes in Net Position is provided to show the reader how the net assets are increasing or decreasing throughout the year. These reports are provided in draft format as of March 31, 2013 and are provided for informational purposes only.

The investment report is for informational purposes only and requires no action by the Board. This report summarizes the performance of investments and allows management to assess the yields on investments, to shift strategies if needed, and the ability to project out future earnings in order to budget accordingly.

Attachment



REQUESTED BY:

Corporation Treasurer

APPROVED FOR AGENDA BY:



Corporation President

EDISON STATE COLLEGE FINANCING CORPORATION COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET for Fiscal Year Ending March 31, 2013
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Table 1

General Operating Budget					
	Original Budget	Revised Budget	Actual (as of 3/31/13)	Variance from Revised Budget	% of Revised Budget
SOURCES OF FUNDS					
Bandwidth Lease Revenue	\$271,200	\$271,200	\$285,854	(\$14,654)	105.4%
High School Lease Revenue	284,213	284,213	299,945	-15,732	105.5%
Investment Income	170,000	170,000	81,467	88,533	47.9%
Fund Balance	0	132,563	132,563	0	100.0%
Total Funds Available	\$725,413	\$857,976	\$799,829	\$58,147	93.2%
USES OF FUNDS					
Operating Expenses	\$46,476	\$94,158	\$94,158	\$0	100.0%
Insurance	36,000	36,300	35,708	592	98.4%
Rentals	16,200	19,200	16,139	3,061	84.1%
Contract Services	65,500	47,731	43,520	4,211	91.2%
Other Expenses	70,000	660,587	642,530	18,057	97.3%
Total Expenses	\$234,176	\$857,976	\$832,055	\$25,921	97.0%

EDISON STATE COLLEGE FINANCING CORPORATION COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET for Fiscal Year Ending March 31, 2013
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Housing Construction Budget

	Original Budget	Revised Budget	Actual (as of 3/31/13)	Variance from Revised Budget	% of Revised Budget
SOURCES OF FUNDS					
Bond Proceeds	\$10,489,650	\$6,816,392	\$6,269,096	\$547,296	92.0%
Total Funds Available	\$10,489,650	\$6,816,392	\$6,269,096	\$547,296	92.0%

USES OF FUNDS					
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Personnel Expenses	\$0	\$0	\$0	\$0	0.0%
Operating Expenses	135,736	84,711	84,711	0	100.0%
Construction Expenses	10,353,914	6,731,681	6,184,385	547,296	91.9%
Total Expenses	\$10,489,650	\$6,816,392	\$6,269,096	\$547,296	92.0%

Housing Operating Budget

	Original Budget	Revised Budget	Actual (as of 3/31/13)	Variance from Revised Budget	% of Revised Budget
SOURCES OF FUNDS					
Lease Payments	\$2,419,113	\$1,727,350	\$1,515,760	(\$211,590)	87.8%
Application Fees	\$0	\$0	\$41,356	\$41,356	100.0%
Resident Activity Fee	25,713	17,640	15,510	(\$2,130)	87.9%
Miscellaneous	0	0	9,893	\$9,893	100.0%
Debt Reserve	848,579	0	0	\$0	0.0%
Total Funds Available	\$3,293,405	\$1,744,990	\$1,582,519	(\$172,364)	90.7%

USES OF FUNDS					
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Personnel Expenses	\$366,939	\$0	\$0	\$0	0.0%
Travel	\$0	\$866	\$595	\$271	100.0%
Operating Expenses	104,876	241,729	154,709	87,020	64.0%
Utilities	407,614	151,216	151,125	91	99.9%
Insurance	122,636	145,300	144,974	326	99.8%
Contract Services	66,345	333,773	275,731	58,042	82.6%
Miscellaneous	25,803	25,803	0	25,803	0.0%
Reserves	74,925	75,000	0	75,000	0.0%
Contingency	85,000	0	0	0	0.0%
Capital Expenses	0	7,910	7,910	0	100.0%
Debt Service Payment	2,039,267	762,154	578,680	183,474	75.9%
Total Expenses	\$3,293,405	\$1,743,751	\$1,313,724	\$430,027	75.3%

EDISON STATE COLLEGE FINANCING CORPORATION
STATEMENT OF NET POSITION
March 31, 2013

DRAFT

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,497,819
Accounts Receivable	359,308
Due from College	135,614
Total current assets	<u>1,992,741</u>

NONCURRENT ASSETS

Investments	5,527,817
Restricted Cash and Cash Equivalents	2,321,002
Bond Issuance Costs, Net	297,590
Construction in Progress	0
Capital Assets, Net	21,459,832
Total noncurrent assets	<u>29,606,241</u>

Total Assets

\$ 31,598,982

DEFERRED OUTFLOW OF RESOURCES

2,300,988

LIABILITIES AND NET POSITION

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 149,416
Retainage Payable	0
Bonds Payable - Current	548,350
Total current liabilities	<u>697,766</u>

NONCURRENT LIABILITIES

Bonds Payable - Noncurrent	25,481,018
Total noncurrent liabilities	<u>25,481,018</u>

Total Liabilities

26,178,784

DEFERRED INFLOW OF RESOURCES

2,300,988

NET POSITION

Invested in Capital Assets, Net of Related Debt	(4,271,946)
Restricted for Debt Service	2,496,599
Unrestricted	7,195,545
TOTAL NET POSITION	<u>5,420,198</u>

TOTAL LIABILITIES AND NET POSITION

\$ 31,598,982

The accompanying footnotes are an integral part of this statement.

**EDISON STATE COLLEGE FINANCING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2013**

DRAFT

OPERATING REVENUES	<u>\$ 1,718,133</u>
OPERATING EXPENSES	
Utilities and Communications	283,163
Contractual Services	460,600
Other Services and Expenses	924,649
Materials and Supplies	532,638
Depreciation	<u>401,432</u>
TOTAL OPERATING EXPENSES	<u>2,602,482</u>
OPERATING LOSS	<u>(884,349)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	128,510
Net Realized and Unrealized Loss on Investments	(45,919)
Interest expense on capital asset-related debt	<u>(170,467)</u>
NET NON-OPERATING REVENUES (EXPENSES)	<u>(87,876)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(972,225)
CAPITAL CONTRIBUTIONS	
Edison State College - Auxiliary Enterprise Funds	(628,663)
Edison State College - EBS royalties	285,854
Edison State College - Charter School Lease	<u>299,945</u>
TOTAL CAPITAL CONTRIBUTIONS	<u>(42,864)</u>
INCREASE IN NET POSITION	(1,015,089)
NET POSITION, BEGINNING OF YEAR	<u>6,435,287</u>
NET POSITION, END OF YEAR	<u>\$ 5,420,198</u>

The accompanying footnotes are an integral part of this statement.

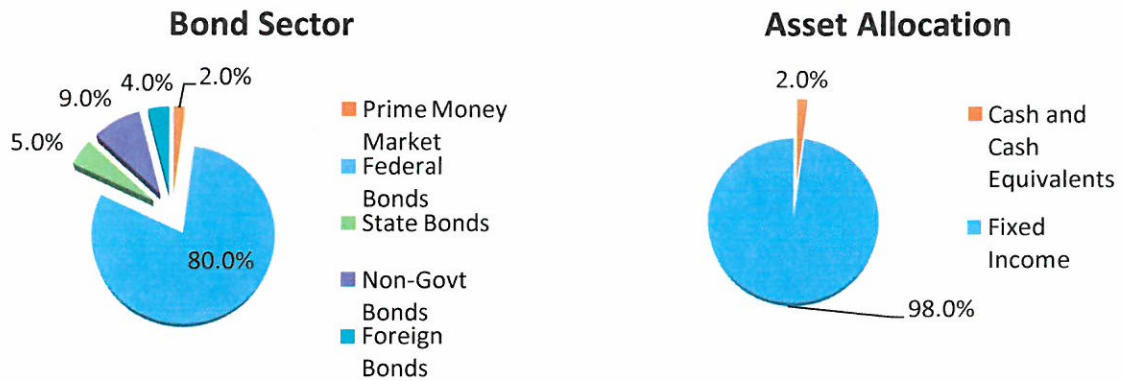
Edison State College Financing Corporation
Executive Investment Summary
Fourth Quarter Ending 3-31-2013

Investment Strategy

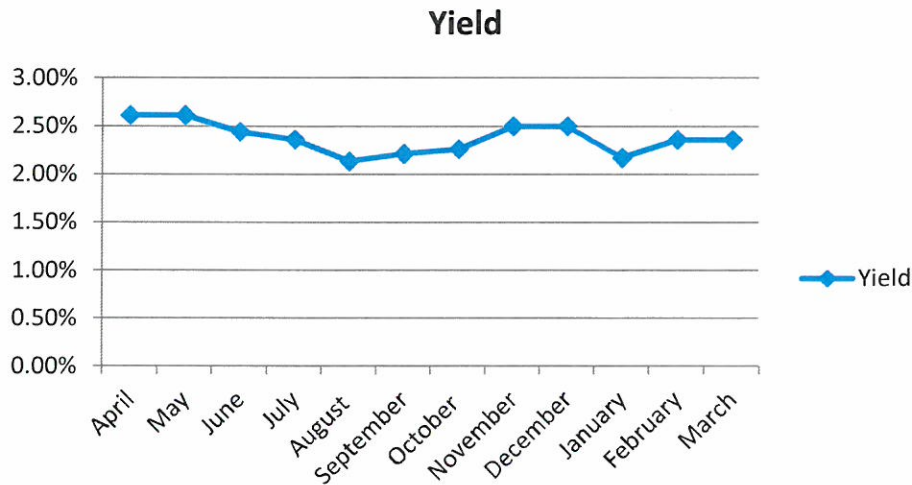
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- Maximum allocation to taxable municipal bonds shall be 25%.
- Maximum allocation to corporate bonds shall be 25%.
- The minimum allocation to Government agency and agency mortgage-backed securities shall be 50%, with the additional provision that the maximum allocation to agency mortgage-backed securities shall be 20%. The Financing Corporation’s policy limits investments to U.S. Treasuries, U.S. Government Agency Bonds, and Corporate Bonds. All investments must be rated AA or better by any of the three rating agencies. The policy prescribes a final maturity of 3.5 years for any single issue.

Investment Allocation



Investment Earnings



As of March 31, 2013 the Financing Corporation Portfolio had a market value of \$5,310,276. Through the fourth quarter ended March 31, 2013 the Financing Corporation had recorded investment income of \$24,394 net of fees.