

**Agenda**

**Florida SouthWestern State College Financing Corporation (the “Corporation”)  
Thomas Edison Campus – President’s Conference Room 1-225  
July 21, 2015  
4:00 p.m.**

**I. Public Comment**

**II. Vote to Take Action On:**

1. Approval of the Minutes from the May 19, 2015 meeting. Presenter: John Noland (Page 1)
2. Approval of Audited Financial Report for Fiscal Year ending March 31, 2015. Presenter: Martin Redovan/Michelle Coble, CliftonLarsonAllen (Page 4)
3. Approval of 2014 Federal IRS Return. Presenter: Martin Redovan/Michelle Coble, CliftonLarsonAllen (Page 5)
4. Approval to move the property insurance coverage for Light House Commons property to the Florida College System Risk Management Consortium property insurance program. Presenter: Mark Lupe(Page 6)
5. Approval of contract amendment providing evidence of the College’s insurable interest in the personal property of Light House Commons and providing that the College will obtain insurance coverage for Light House Commons and the FSWFC’s personal property located at Light House Commons. Presenter: Mark Lupe (Page 15)

**III. Information Only**

6. Florida SouthWestern State College Financing Corporation’s 1st Quarter Financial Statements. Presenter: Debra Kivel (Page 16)
7. Florida SouthWestern State College Financing Corporation’s Interest Rate Swap Agreement Presenter: Debra Kivel (Page 21)

**III. Discussion**

Board Members’ Comments

President’s Comments

Adjournment

**Minutes**

Florida SouthWestern State College Financing Corporation  
Thomas Edison Campus – Board Conference Room, I-225  
May 19, 2015  
4:00 p.m.

The Florida SouthWestern State College Financing Corporation met in Lee County, Florida, on May 19, 2015. John Noland, Chair called the meeting to order at 4:09p.m.

**Members Present:** John Noland, Chair  
Eddie Webb, III, Vice Chair  
David Hall, Secretary  
Mary Lee Mann  
Randall Parrish, Jr., OD

**Members Absent:** Jeffery Allbritten, DA, Corporation President

**Others Present:** Gina Doeble, Treasurer  
Mark Lupe, General Counsel  
Robert Jones, Collier Campus President  
Debbie Kivel, DSO Finance  
Justine Lewis, Recorder

**Public Comment:** None

**Vote to Take Action On:**

**Agenda Item #1—Approval of Minutes Regular Meeting March 17, 2015 -  
Presenter: John Noland**

MOTION by Mrs. Mann; to accept the corrected minutes of the regular meeting on March 17, 2015; seconded by Mr. Webb. Approved unanimously.

**Agenda Item #2— Approval of Renewal of the Lease for the Florida SouthWestern Collegiate High School – Lee Campus. Presenter: Mark Lupe and**

**Agenda Item #3— Approval of Renewal of the Lease for the Florida SouthWestern Collegiate High School – Charlotte Campus. Presenter: Mark Lupe**

MOTION by Mr. Hall; to approve as presented the renewal lease for the Florida SouthWestern Collegiate High School – Lee Campus; seconded by Mr. Parrish. Approved unanimously.

MOTION by Mr. Webb to approve as presented the renewal lease for the Florida SouthWestern Collegiate High School – Charlotte Campus; seconded by Mr. Hall. Approved unanimously.

**Information Only:**

**Florida SouthWestern State College Financing Corporation's 4<sup>th</sup> Quarter Financial Statements.**

Dr. Doeble presented the Florida SouthWestern State College Financing Corporation 4<sup>th</sup> Quarter Financial Statements and Investment Report for informational only.

**Florida SouthWestern State College Financing Corporation's Interest Rate Swap Agreement**

Dr. Doeble presented the Florida SouthWestern State College Financing Corporation's Interest Rate Swap Agreement for informational only.

**Discussion:**

**Status of Swap Agreement - Presenter: Gina Doeble**

The Swap Loan is due 2017. Dr. Doeble suggests that The Financing Corporation hire a financial advisor group to help with strategizing the options at the current time rather than in 2017. Dr. Doeble will be researching and present information at the July 2015 Financing Corporation meeting.

**Dormitory Property Insurance- Presenter: Mark Lupe**

Mr. Lupe presented the board with information that the Florida College Risk Management can write the property insurance for the dorms, and can potentially save FSW \$40,000 in premium expenses.

Mr. Lupe also indicated that he has requested a competitive quote from Gallagher Basset for FSW's entire insurance program. He hopes to share that at the August 2015 meeting.

**Board's Comments**

Mrs. Mann was inquiring about what the College plans to do with the Winkler Avenue property in the event that the current Drug Rehabilitation is built on the adjoining property.

**Adjournment** – The meeting was adjourned at 4:42 p.m.

\_\_\_\_\_  
Dr. Jeffery S. Allbritten  
Corporate President  
Board of Directors

\_\_\_\_\_  
David Hall, Secretary  
Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Unapproved

**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**Agenda Item Summary**  
 Meeting Date: 7/21/2015

**1. Action Requested/Purpose:**

**Approval to Accept the Florida SouthWestern State College Financing Corporation's Audited Financial Report for Fiscal Year Ended March 31, 2015**

**2. Fiscal Impact:**     Yes     No     N/A

**3. Funding Source:**                      Amount: \$

**4. Administration Recommendation:** The Administration recommends Board of Directors approval of the Florida SouthWestern State College Financing Corporation audited financial report for the fiscal year ended March 31, 2015.

**5. Agenda Item Type:**

- Action Item
- Consent Agenda
- Information Only
- Board Requested Information/Report

**8. Requirement/Purpose (Include Citation)**

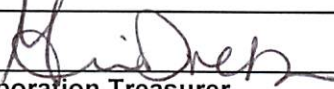
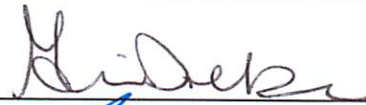
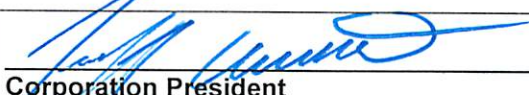
- Statute
- Administrative Code **6Hx6:1.05**
- Other

**9. Background Information:**

The audited financial report represents the activities and financial results of the Financing Corporation's operations for the fiscal year ended March 31, 2015. The Financing Corporation's financial report was prepared by the College's Office of Financial Services in accordance with the Generally Accepted Accounting Principles and audited by Clifton Larson Allen, LLP, Certified Public Accountants. As of March 31, 2015, the net assets of the Financing Corporation totaled \$5,909,060.

It is recommended that the Board of Directors accept the audited financial report as presented.

Attachment

<b>Requested By:</b>	 _____ Corporation Treasurer
<b>Funding Verified by:</b>	 _____
<b>Approved For Agenda by:</b>	 _____ Corporation President

**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION  
Agenda Item Summary**

Meeting Date: 7/21/2015

**1. Action Requested/Purpose:**

**Approval of the 2014 Federal IRS Return of Organization Exempt from Income Tax Form 990**

**2. Fiscal Impact:**     Yes     No     N/A

**3. Funding Source:**                      Amount: \$

**4. Administration Recommendation:** The Administration recommends Board of Directors approval to submit the Florida SouthWestern State College Financing Corporation, Inc. Federal IRS Return of Organization Exempt from Income Tax Form 990 for the fiscal year ended March 31, 2015.

**5. Agenda Item Type:**

- Action Item
- Consent Agenda
- Information Only
- Board Requested Information/Report

**8. Requirement/Purpose (Include Citation)**

- Statute
- Administrative Code **6Hx6:1.05**
- Other Section

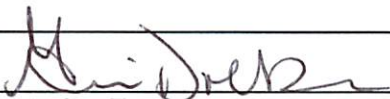
**9. Background Information:**

The Florida SouthWestern State College Financing Corporation IRS tax form 990 was prepared by Clifton Larson Allen, LLP Certified Public Accountants. This report must be filed annually with the Internal Revenue Service (IRS) by nonprofit organizations exempt from Federal income taxes under section 501 of the Internal Revenue Code.

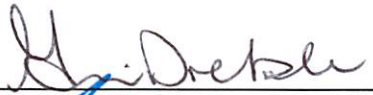
It is recommended that the Board of Directors approve the submission of 2014 Federal IRS Return of Organization Exempt from Income Tax Form 990.

Attachment


**Requested By:**

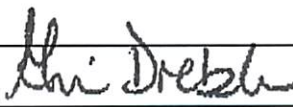
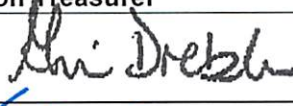

  
\_\_\_\_\_  
Corporation Treasurer

**Funding Verified by:**

  
\_\_\_\_\_  
Funding Verifier

**Approved For Agenda by:**

  
\_\_\_\_\_  
Corporation President

<b>FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION</b> <b>Agenda Item Summary</b>	
Meeting Date: 7.21.15	
<p><b>1. Action Requested/Purpose:</b> Approval of a contract amendment providing evidence of the College's insurable interest in the personal property of Light House Commons.</p>	
<p><b>2. Fiscal Impact</b>    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    <input type="checkbox"/> N/A</p>	
<p><b>3. Funding Source:</b> Amount: \$</p>	
<p><b>4. Administration Recommendation:</b> Approve the addendum as presented providing evidence of the College's insurable interest in the personal property of Light House Commons.</p>	
<p><b>5. Agenda Item Type:</b></p> <p><input checked="" type="checkbox"/> Action Item</p> <p><input type="checkbox"/> Consent Agenda</p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Board Requested Information/Report</p>	<p><b>8. Requirement/Purpose (Include Citation)</b></p> <p><input type="checkbox"/> Statute</p> <p><input type="checkbox"/> Administrative Code</p> <p><input type="checkbox"/> Other</p>
<p><b>9. Background Information:</b> This real and personal property of Light House Commons is currently insured through a policy of insurance issued by Zurich Insurance at an annual cost of \$85,756.17. The Florida College System Risk Management Consortium has begun offering property insurance coverage for College System Direct Support Organizations property where the College has a reversionary interest in the property or where the college has by contract agreed to provide such coverage. It is recommended that the annual contract between the Florida SouthWestern Financing Corporation and the College be amended to provide that the College will obtain property insurance through the Consortium and that the Florida SouthWestern Financing Corporation will reimburse the college for the cost of such coverage.</p>	
<p><b>Requested By</b></p>	<p style="text-align: center;"></p> <hr style="border: 0; border-top: 1px solid black;"/> <p style="text-align: center;">Corporation Treasurer</p>
<p><b>Funding Verified</b></p>	<p style="text-align: center;"></p> <hr style="border: 0; border-top: 1px solid black;"/>
<p><b>Approved For Agenda</b></p>	<p style="text-align: center;"></p> <hr style="border: 0; border-top: 1px solid black;"/> <p style="text-align: center;">Corporation President</p>

AMENDMENT NUMBER ONE TO AGREEMENT  
FOR PERSONAL SERVICES AGREEMENT FOR FINANCIAL,  
ACCOUNTING AND LEGAL SERVICES

This Amendment Number One to an agreement between The District Board of Trustees, Florida SouthWestern State College, Florida ("College") and Florida Southwestern State College Financing Corporation ("Financing Corporation") is entered into and effective the \_\_\_\_\_ day of August, 2015.

**WITNESSETH:**

WHEREAS, the College and Financing Corporation are parties to a certain agreement ("Agreement") a copy of which is attached hereto relating to the provision of Personal Services Agreement For Financial, Accounting And Legal Services; and,

WHEREAS, College and Financing Corporation now desire to amend the Agreement:

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, College and Contractor agree as follows:

A. The recitals stated above are true and correct.

B. Paragraph 6.1 of the Agreement is amended as follows:

6.1 Insurance. During the term of this Agreement, the College shall procure and maintain in full force and effect the insurance as determined by the Financing Corporation to be required to comply with the requirements of the Bond Documents and the Ground lease and, shall name both the College and The Branch Banking And Trust Company, as mortgagees and loss payees. The Financing Corporation agrees that it will reimburse the College for all of the costs associated with the obtaining insurance coverage for the real and personal insurance for Lighthouse Commons through the Florida College System Risk Management Consortium which costs will be invoiced by the College to the Financing Corporation as they are incurred by the College which invoices shall be paid within thirty days of receipt. In addition, the Financing Corporation further agrees that in consideration of the College obtaining such coverage that it agrees that ownership of the personal property situated at the student housing project will revert to the College at the conclusion of the ground lease between the College and Financing Corporation dated December 1, 2010.

C. Except as expressly stated herein all other terms and conditions of the Agreement shall be fully applicable to the provisions of service hereunder.



Florida Southwestern State College  
Financing Corporation

The District Board of Trustees of Edison  
State College, Florida

By: \_\_\_\_\_

By: \_\_\_\_\_

President

Title: \_\_\_\_\_

## PERSONAL SERVICES AGREEMENT FOR FINANCIAL, ACCOUNTING AND LEGAL SERVICES

This Master Services Agreement (this "Agreement") is effective April 1, 2015 by and between the **DISTRICT BOARD OF TRUSTEES OF FLORIDA SOUTHWESTERN STATE COLLEGE** (the "College"), a political subdivision of the State of Florida, and the **FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION** (the "Financing Corporation"), a not for profit corporation organized and existing under the laws of the State of Florida, a direct-support organization of the College pursuant to Section 1004.70, Florida Statutes.

### RECITALS

**WHEREAS**, the Financing Corporation is a Direct Support Organization of the College as authorized and described in Section 1004.70, Florida Statutes;

**WHEREAS**, pursuant to Section 1004.70, Florida Statutes, the College has certified the Financing Corporation, as a Florida College System direct support organization, whose purposes are to (i) provide housing opportunities for the students of the College; (ii) to finance capital projects to meet current and future needs of the College, such as student housing, parking facilities, and/or other improvement; (iii) manage and invest funds held by it; (iv) operate or administer contracts for auxiliary enterprises and (v) any other activity of Florida SouthWestern State College;

**WHEREAS**, Section 1004.70(3)(a), Florida Statutes, expressly authorizes the District Board of Trustees to permit the use of property, facilities, and personal services of the College by the College's direct-support organization, including the Financing Corporation;

**WHEREAS**, Section 1004.70(1)(b), Florida Statutes, states that personal services includes full-time or part-time personnel as well as payroll processing ("Personal Services");

**WHEREAS**, the Financing Corporation desires to contract with the College for the use of the Personal Services described below and the College wishes to accept such engagement, pursuant to the terms and conditions contained herein;

**NOW THEREFORE**, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**ARTICLE 1**  
**PROVISION OF SERVICES**

1.1 Provision of Services. The Financing Corporation hereby engages the College to provide the following Personal Services:

A. Financial and Accounting Services:

- i. Monthly performance of bank reconciliations;
- ii. Processing of accounts payable;
  - i. Implementation of investment strategies as determined by the Board of Directors of the Financing Corporation;
- iii. Preparation of the Annual Financial Report;
- iv. Preparation of the Quarterly budget to actual reports;
- v. Development of and presentation to the Board of Director of the annual budget;

B. Legal Services:

- i. Preparation and Review of Contracts;
- ii. Preparation of Written Resolutions of the Board of Directors;
- iii. Review and Approval of Board Minutes as necessary;
- iv. Attendance at meetings of the Board of Trustees;
- v. Provision of Legal Guidance to the Board of Directors and corporate officers.

1.2 Termination of Services. In addition, College may at any time immediately terminate this Agreement or withhold Personal Services in the event of breach by the Financing Corporation of any of the terms of this Personal Services Agreement or upon the occurrence of any of the events set forth in Article VII. Termination or expiration of this Agreement shall not affect the continuation of any outstanding obligation or liability incurred by either party during the term of this Agreement.

1.3 Right of Supervision and Control. The College shall have sufficient authority so as to maintain a right of direction and control over employees providing Personal Services, and

shall retain authority to hire, terminate, discipline and reassign employees. The Financing Corporation shall, however, retain such sufficient direction and control over employees performing Personal Services as is necessary to conduct the Financing Corporation's business and without which the Financing Corporation would be unable to conduct its business, discharge any fiduciary responsibility that it may have, or comply with any applicable licensure, regulatory, or statutory requirement of the Financing Corporation.

## ARTICLE 2

### TERM

2.1. Term. The Term of this Agreement shall commence as of April 1, 2015, (the "Effective Date") and shall expire on March 31, 2016.

## ARTICLE 3

### PAYMENT OF WAGES AND BENEFITS

3.1 Payment of Wages. The Financing Corporation also represents and warrants that all wages (including bonuses) paid to any employee are to be paid by College and that any such employees will receive no additional wages in any form from the Financing Corporation. The Financing Corporation agrees it will be solely responsible for damages of any nature arising out of the Financing Corporation's failure to report to College the payment to an employee of any remuneration for services rendered for the College. The College assumes responsibility for workers' compensation claims, benefit claims (including but not limited to health insurance claims and pension claims) and tax obligations for any individuals who are performing Personal Services pursuant to this Agreement.

3.2 Claims. Should any claims, demands, suits or other legal proceedings be threatened in writing or instituted by any person against the College or the Financing Corporation with relating in any way to the Personal Services provided hereunder, the recipient of notice of such claim, demand, suit or other legal proceeding shall give each of the other parties to this Agreement prompt notice and all pertinent information and reasonable assistance in the defense or other disposition thereof. The College and the Financing Corporation shall promptly investigate all alleged accidents and/or alleged claims for damages relating in any way to the Personal Services provided hereunder.

3.3 Financing Corporation's Liability. Notwithstanding anything to the contrary herein contained, any claim based on or in respect of any liability of the Financing Corporation for (i) any payment hereunder or (ii) the performance of any other covenant, agreement, term or condition contained herein shall be paid solely out of, and enforced only against, the System Revenues (as such term is defined in the Bond Documents), if any, to the extent available to the Financing Corporation pursuant to the Bond Documents or from other cash balances within accounts maintained by the of the Financing Corporation and, in either case, not from or against any other assets, properties or funds of Financing Corporation or against any assets, properties or funds of any member, director, official, officer, employee, successor, assign or agent of Financing Corporation. The College agrees not to seek to obtain a money judgment against Financing Corporation, or against any officer, member, official, director, employee or agent of

Financing Corporation or against any of their respective heirs, administrators, executors, personal representatives, successors or assigns.

**ARTICLE 4  
WORKERS' COMPENSATION**

4.1 Workers' Compensation. The College shall secure workers' compensation coverage in such amounts as is required by applicable law and shall be responsible for the management of workers' compensation claims, claims filings and related procedures for its employees who may provide Personal Services, either on a part-time or full-time basis. Should the Financing Corporation be allowed to maintain its own workers' compensation policy, College shall be named as an additional insured on such policy or policies.

**ARTICLE 5  
COMPENSATION OF COLLEGE**

5.1 In exchange for the Personal Services described above the Financing Corporation shall pay to the College the sum of \$40,000 per year which shall be paid no later than thirty days after the close of the Financing Corporation's fiscal year on March 30, 2016.

**ARTICLE 6  
INSURANCE REQUIREMENTS**

6.1 Insurance. During the term of this Agreement, the Financing Corporation shall procure and maintain in full force and effect the insurance as determined by the Financing Corporation to be required to comply with the requirements of the Bond Documents and the Ground Lease and, shall name both the College and the Financing Corporation as additional insureds.

**ARTICLE 7  
DEFAULT AND TERMINATION**

7.1 The Financing Corporation's Default. The Financing Corporation shall be in default hereunder (i) should the Financing Corporation fail or refuse to perform any of its material obligations hereunder, (ii) if there is a bankruptcy, dissolution or liquidation of the Financing Corporation, (iii) should the Financing Corporation engage in any fraud, misappropriation, embezzlement or in any willful misconduct in violation of this Agreement, or (iv) should the Financing Corporation fail to timely provide its consent or approval as required hereunder.

7.2 The College's Default. The College shall be in default hereunder (i) should the College fail or refuse to perform any of its material obligations hereunder, (ii) if there is a bankruptcy, dissolution or liquidation of the College, (iii) should the College engage in any fraud, misappropriation, embezzlement or in any willful misconduct or act beyond its authority in this Agreement, (iv) should the College fail to maintain all licenses and permits necessary for

the College to discharge its duties under this Agreement, or (v) should the College fail to make any payments or to provide the funds required hereunder.

7.3 Termination for Cause. If any party defaults and continues such default for more than thirty (30) days after a reasonably detailed default notice from one of the other parties hereto, then notwithstanding any contrary provision of this Agreement, such other party shall have the right, in addition to all other rights and remedies, to terminate this Agreement by giving a termination notice to the defaulting party; provided, however, that if the nature of such default is such that it cannot reasonably be cured within such 30-day period, then the defaulting party shall have such additional time as is reasonably required to cure such failure provided such defaulting party commences to cure such failure within such 30-day period and proceeds to prosecute such cure with diligence and continuity, and such cure is complete within an additional thirty (30) days; and further provided, however, that such additional thirty-day period shall not apply to defaults based on the failure to timely pay any funds due hereunder or to timely grant or withhold approvals or consents required hereunder.

7.4 Other Terminations. This Agreement shall also terminate upon any termination of the Ground Lease, or upon any total casualty or condemnation of the Property after which the Property is not restored in a manner consistent with the condition and capacity prior to the casualty or condemnation.

## ARTICLE 8 MISCELLANEOUS

8.1 Independent Contractor Status. It is the intention of the parties hereto that the Financing Corporation and the College shall be, and remain, independent contractors. The parties do not intend and nothing contained herein shall be deemed to create a partnership, co-tenancy, joint venture or agency of any kind.

8.2 No Third-Party Beneficiary. The provisions of this Agreement are not entitled to benefit any person who is not a party to this Agreement.

8.3 No Assignment. Neither the College nor the Financing Corporation shall assign or pledge any of their respective rights, duties or obligations under this Agreement without the consent of all parties to this Agreement.

8.4 Complete Agreement. This Personal Service Agreement, including all Exhibits as they may be now exist or as may they may be added from time to time, is a complete and exclusive statement of the terms of the agreement between the Financing Corporation and the College related to the provision of Personal Services with respect to the Property and supersedes and replaces any and all previous communications and understandings between the parties relating to the subject matter hereof.

8.5 Modification. This Agreement may be effectively modified, changed or amended only by a writing signed by all of the parties hereto, which consent shall not be unreasonably withheld, delayed or conditioned.


8.6 Amendments. Except as otherwise herein provided, any and all amendments, additions or deletions to this Agreement shall be null and void unless approved by the parties in writing, which consent shall not be unreasonably withheld, delayed or conditioned.

8.7 Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

8.8 Governing Law. This Agreement shall be governed, construed and interpreted by the laws of the State of Florida.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first written above:

**DISTRICT BOARD OF TRUSTEES OF  
FLORIDA SOUTHWESTERN STATE COLLEGE**

By:   
Gina B. Doeble, CPA  
Vice President, Administrative Services

**FLORIDA SOUTHWESTERN STATE COLLEGE  
FINANCING CORPORATION**

By:   
Jeffery S. Allbritten, D.A.  
President

<b>FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION</b> <b>Agenda Item Summary</b>	
Meeting Date: July 21, 2015	
<p><b>1. Action Requested/Purpose:</b> Approval to move the property insurance coverage for Light House Commons property to the Florida College System Risk Management Consortium property insurance program.</p>	
<p><b>2. Fiscal Impact</b>    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    <input type="checkbox"/> N/A</p>	
<p><b>3. Funding Source:</b>    Amount: \$</p>	
<p><b>4. Administration Recommendation:</b> Approve of inclusion of the real and personal property of Light House Commons to the property insurance program provided by the Florida College System Risk Management Consortium.</p>	
<p><b>5. Agenda Item Type:</b></p> <p><input checked="" type="checkbox"/> Action Item</p> <p><input type="checkbox"/> Consent Agenda</p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Board Requested Information/Report</p>	<p><b>8. Requirement/Purpose (Include Citation)</b></p> <p><input type="checkbox"/> Statute</p> <p><input type="checkbox"/> Administrative Code</p> <p><input type="checkbox"/> Other</p>
<p><b>9. Background Information:</b> This real and personal property of Light House Commons is currently insured through a policy of insurance issued by Zurich Insurance at an annual cost of \$85,756.17. The Florida College System Risk Management Consortium has begun offering property insurance coverage for College System Direct Support Organizations property where the College has a reversionary interest in the property or where the college has by contract agreed to provide such coverage. It is recommended that the annual contract between the Florida SouthWestern Financing Corporation and the College be amended to provide that the College will obtain property insurance through the Consortium and that the Florida SouthWestern Financing Corporation will reimburse the college for the cost of such coverage.</p>	
<p><b>Requested By</b></p>	<p style="text-align: center;"><i>Ali Drebel</i></p> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <p style="text-align: center;"><b>Corporation Treasurer</b></p>
<p><b>Funding Verified</b></p>	<p style="text-align: center;"><i>Ali Drebel</i></p> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>
<p><b>Approved For Agenda</b></p>	<p style="text-align: center;"><i>[Signature]</i></p> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <p style="text-align: center;"><b>Corporation President</b></p>



**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION  
Agenda Item Summary**

Meeting Date: 7/21/2015

**1. Action Requested/Purpose:**

**Florida SouthWestern State College Financing Corporation 1st Quarter Financial Statements and Investment Report**

**2. Fiscal Impact:**     Yes     No     N/A

**3. Funding Source:**                      Amount: \$

**4. Administration Recommendation:**

**5. Agenda Item Type:**

- Action Item
- Consent Agenda
- Information Only
- Board Requested Information/Report

**8. Requirement/Purpose (Include Citation)**

- Statute
- Administrative Code
- Other

**9. Background Information:**


Table 1 – 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 at a specified time.


Table 2 - The Statement of Revenues, Expenses and Changes in Net Position is used to evaluate the financial position of the Financing Corporation and is provided to show the reader how the net assets are increasing or decreasing throughout the year.

Table 3 - 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 investment 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

**Funding Verified by:** 

**Approved For Agenda by:**   
Corporation President

**TABLE 1**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**STATEMENT OF NET POSITION**  
**FOR FIRST QUARTER ENDED MARCH 31, 2016**

	Financing Corp	Housing	Debt Services	Investment in Plant	Quarter Ending 6/30/2015 Actual (Year to Date)
<b>CURRENT ASSETS</b>					
Cash & Cash Equivalents	1,224,591	1,131,988	-	-	2,356,579
Accounts Receivable	-	-	-	-	-
Receivable - FSW	-	319,598	-	-	319,598
Prepaid Expense	-	-	-	-	-
Due from Auxiliary	-	-	-	-	-
<b>NONCURRENT ASSETS</b>					
Investments	6,241,856	-	-	-	6,241,856
Restricted Cash & Cash Equivalents	-	-	1,771,020	-	1,771,020
Reserve for Uncollectible Accts	-	(239,737)	-	-	(239,737)
Capital Assets, Net	-	-	-	20,178,796	20,178,796
<b>TOTAL ASSETS</b>	<b>7,466,447</b>	<b>1,211,849</b>	<b>1,771,020</b>	<b>20,178,796</b>	<b>30,628,111</b>
<b>CURRENT LIABILITIES</b>					
Accrued Expense	10,000	66,901	-	-	76,901
Interest Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Due to Current Funds - Unrestricted	-	-	-	-	-
Bonds Payable - Current	-	-	-	444,230	444,230
<b>NONCURRENT LIABILITIES</b>					
Derivative Instrument - Interest Rate SWAP	-	40,080	-	-	40,080
Bonds Payable - Non-Current	-	-	-	23,963,172	23,963,172
<b>TOTAL LIABILITIES</b>	<b>10,000</b>	<b>106,981</b>	<b>-</b>	<b>24,407,402</b>	<b>24,524,383</b>
<b>FUND BALANCE</b>					
Fund Balance	7,456,447	1,104,868	1,771,020	(4,228,606)	6,103,729
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>7,466,447</b>	<b>1,211,849</b>	<b>1,771,020</b>	<b>20,178,796</b>	<b>30,628,111</b>

**TABLE 2**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**FOR FIRST QUARTER ENDED MARCH 31, 2016**

	Financing Corp	Housing	Debt Services	Investment in Plant	Total
<b>REVENUE</b>					
Contributions - FSW	77,970	-	-	-	77,970
Contributions - Collegiate High Schools	62,500	-	-	-	62,500
Housing Income	-	570,501	-	-	570,501
Misc Revenue	-	57,399	-	-	57,399
Insurance Recovery	-	-	-	-	-
Interest	27,214	-	44	-	27,258
Gain/Loss on Investments	(21,217)	-	-	-	(21,217)
Transfer			226,537	143,705	370,242
<b>Total Revenue</b>	<b>146,467</b>	<b>627,900</b>	<b>226,581</b>	<b>143,705</b>	<b>1,144,653</b>
<b>EXPENSES</b>					
Operating Expenses	22,464	6,936	-	-	29,400
Utilities	-	28,089	-	-	28,089
Data & Other Communications Services	-	49,194	-	-	49,194
Insurance	61,752	-	-	-	61,752
Contract Services	14,329	50,000	-	-	64,329
Other Services & Expenses	-	-	-	-	-
Resident Activities	-	4,541	-	-	4,541
Reserves	-	-	-	-	-
Interest Expense	-	146,432	54,894	-	201,326
Depreciation Expense	-	-	-	141,113	141,113
Transfer		226,537	143,705	-	370,242
<b>Total Expenses</b>	<b>98,544</b>	<b>511,728</b>	<b>198,599</b>	<b>141,113</b>	<b>949,985</b>
<b>Change in Net Position</b>	<b>47,923</b>	<b>116,172</b>	<b>27,982</b>	<b>2,592</b>	<b>194,668</b>
<b>Beginning Net Position</b>	<b>7,408,524</b>	<b>988,696</b>	<b>1,743,039</b>	<b>(4,231,198)</b>	<b>5,909,060</b>
<b>Ending Net Position</b>	<b>7,456,447</b>	<b>1,104,868</b>	<b>1,771,020</b>	<b>(4,228,606)</b>	<b>6,103,729</b>

**TABLE 3**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET**  
**for Fiscal Year Ending March 31, 2016**

<b><i>General Operating Budget</i></b>				
	Original Budget	Revised Budget	Actual (as of 6/30/15)	% of Revised Budget
<b><u>SOURCES OF FUNDS</u></b>				
Bandwidth Lease Revenue	\$311,880	\$311,880	\$77,970	25.0%
High School Lease Revenue	250,000	250,000	62,500	25.0%
Investment Income	75,000	75,000	5,997	8.0%
<b>Total Funds Available</b>	<b>\$636,880</b>	<b>\$636,880</b>	<b>\$146,467</b>	<b>23.0%</b>

<b><u>USES OF FUNDS</u></b>				
Operating Expenses	\$30,000	\$30,000	\$22,464	74.9%
Insurance	200,000	200,000	61,752	30.9%
Contract Services	264,550	264,550	14,329	5.4%
<b>Total Expenses</b>	<b>\$494,550</b>	<b>\$494,550</b>	<b>\$98,544</b>	<b>19.9%</b>

<b><i>Housing Budget</i></b>				
	Original Budget	Revised Budget	Actual (as of 6/30/15)	% of Revised Budget
<b><u>SOURCES OF FUNDS</u></b>				
Rent Revenue	\$2,376,980	\$2,376,980	\$543,994	22.9%
Resident Activity Fee	24,231	24,231	3,510	14.5%
Cancellation Fees	16,000	16,000	0	0.0%
Application Fees	25,600	25,600	16,250	63.5%
Fines & Penalties	0	0	6,747	100.0%
Miscellaneous Revenue	0	0	57,399	100.0%
Fund Balance - Activity Fees	0	1,530	1,530	100.0%
<b>Total Funds Available</b>	<b>\$2,442,811</b>	<b>\$2,444,341</b>	<b>\$629,430</b>	<b>25.8%</b>

<b><u>USES OF FUNDS</u></b>				
Operating Expenses	\$279,000	\$302,726	\$56,130	18.5%
Utilities	196,000	196,000	28,089	14.3%
Contract Services	203,000	203,000	50,000	24.6%
Reserves	195,162	176,980	0	0.0%
Resident Activities	24,231	25,761	4,541	17.6%
Contingency	40,000	34,456	0	0.0%
Debt Service Payments:				
Principal Payments	587,936	587,936	143,705	24.4%
Interest Expense on Debt	305,482	305,482	82,831	27.1%
SWAP	612,000	612,000	146,432	23.9%
<b>Total Expenses</b>	<b>\$2,442,811</b>	<b>\$2,444,341</b>	<b>\$511,728</b>	<b>20.9%</b>

**Florida SouthWestern State College Financing Corporation**

**Executive Investment Summary**

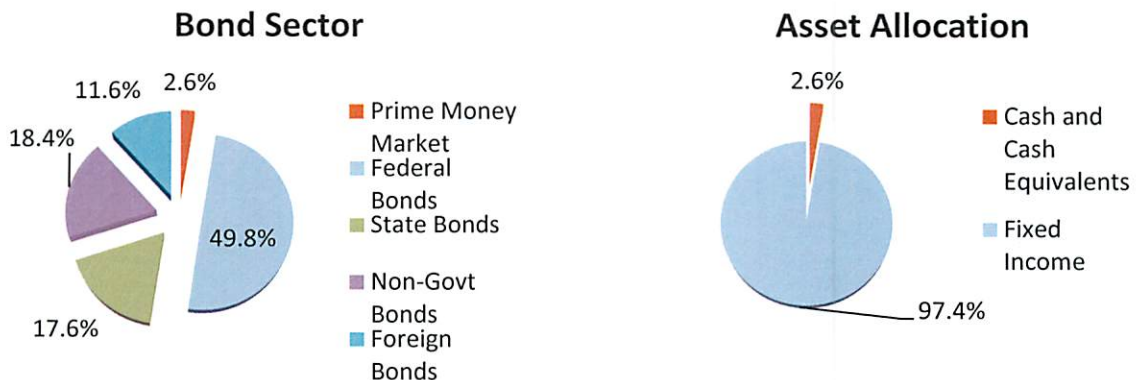
**First Quarter Ending 6-30-2015**

**Investment Strategy**

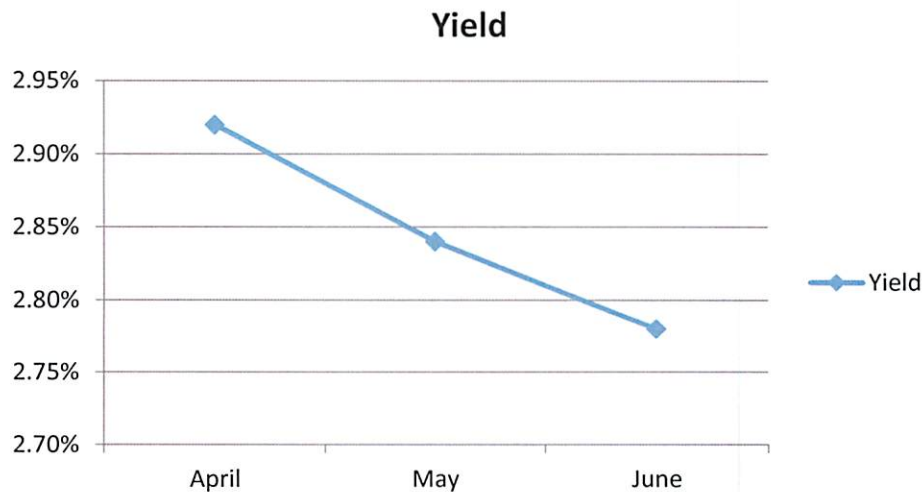
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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 years for any single issue.

**Investment Allocation**



**Investment Earnings**



As of June 30, 2015, the Financing Corporation Portfolio had a market value of \$6,406,905. Through the first quarter ended June 30, 2015 the Financing Corporation had recorded investment income of \$5,997.

**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION  
Agenda Item Summary**

Meeting Date: 7/21/2015

**1. Action Requested/Purpose:**

**Florida SouthWestern State College Financing Corporation Interest Rate Swap Agreement  
Market Valuation**

**2. Fiscal Impact:**     Yes     No     N/A

**3. Funding Source:**                      Amount: \$

**4. Administration Recommendation:**

**5. Agenda Item Type:**

- Action Item
- Consent Agenda
- Information Only
- Board Requested Information/Report

**8. Requirement/Purpose (Include Citation)**

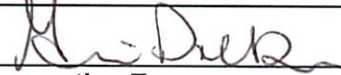
- Statute
- Administrative Code
- Other

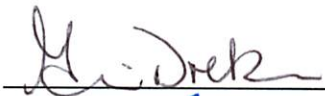
**9. Background Information:**

On December 23, 2010, the Financing Corporation entered into an interest rate swap agreement (Swap) with BB&T for the purpose of hedging its variable interest rate risk on the tax-exempt loan. The Swap provides that the Financing Corporation, pay an annual fixed rate of 3.66 percent effective July 1, 2012, and terminating December 17, 2017. The term and notional amount of the Swap will not exceed the term and principal amount of the tax-exempt loan

The market valuation is for information purposes only.

Attachment

**Requested By:**   
Corporation Treasurer

**Funding Verified by:** 

**Approved For Agenda by:**   
Corporation President

**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**Monthly SWAP Agreement Market Valuation**

Effective Date: 07/01/2012

Maturity Date: 12/17/2017

<b>Valuation Date</b>	<b>Outstanding Notional</b>	<b>Total Value</b>
10/31/2013	\$ 25,714,752.99	\$ (1,857,125.26)
11/29/2013	\$ 25,670,364.63	\$ (1,849,141.37)
12/31/2013	\$ 25,623,234.05	\$ (1,654,952.71)
1/31/2014	\$ 25,578,558.04	\$ (1,694,939.83)
2/28/2014	\$ 25,533,741.61	\$ (1,686,259.92)
3/31/2014	\$ 25,481,017.80	\$ (1,538,253.93)
4/30/2014	\$ 25,435,894.79	\$ (1,545,890.30)
5/30/2014	\$ 25,388,051.04	\$ (1,594,541.95)
6/30/2014	\$ 25,342,635.83	\$ (1,520,317.36)
7/31/2014	\$ 25,294,508.42	\$ (1,394,533.24)
8/31/2014	\$ 25,248,799.20	\$ (1,408,590.30)
9/30/2014	\$ 25,202,946.32	\$ (1,304,551.77)
10/31/2014	\$ 25,154,394.01	\$ (1,378,521.87)
11/28/2014	\$ 25,108,244.41	\$ (1,379,021.65)
12/31/2014	\$ 25,059,404.06	\$ (1,264,084.18)
1/30/2015	\$ 25,012,955.90	\$ (1,377,193.20)
2/27/2015	\$ 24,966,361.75	\$ (1,243,758.09)
3/31/2015	\$ 24,912,027.22	\$ (1,268,215.23)
4/30/2015	\$ 24,865,115.84	\$ (1,231,367.42)
5/29/2015	\$ 24,815,535.97	\$ (1,198,525.54)
6/30/2015	\$ 24,768,321.32	\$ (1,142,322.64)