

**Agenda**

**Florida SouthWestern State College Financing Corporation (the “Corporation”)  
Thomas Edison Campus – President’s Conference Room 1-225  
January 19, 2016  
4:00 p.m.**

**I. Public Comment**

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

1. Approval of the Minutes from the July 21, 2015 meeting. Presenter: John Noland (Page 1)
2. Approval of a Resolution of the Board of Directors of the Florida SouthWestern State College Financing Corporation declaring support of certain capital improvements. Presenter: Jeffery Allbritten

**III. Information Only**

6. Florida SouthWestern State College Financing Corporation’s 3rd Quarter Financial Statements. Presenter: Gina Doeble (Page 5)
7. Florida SouthWestern State College Financing Corporation’s Interest Rate Swap Agreement Presenter: Gina Doeble (Page 10)

**III. Discussion**

Board Members’ Comments

President’s Comments

Adjournment

**Minutes**

Florida SouthWestern State College Financing Corporation  
Thomas Edison Campus – Board Conference Room, I-225  
July 21, 2015  
4:00 p.m.

The Florida SouthWestern State College Financing Corporation met in Lee County, Florida, on July 21, 2015. John Noland, Chair called the meeting to order at 4:04p.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:** Mark Lupe, General Counsel  
Debbie Kivel, DSO Finance  
Marty Redovan  
Michelle Coble  
Valerie Miller, Recorder

**Public Comment:** None

**Vote to Take Action On:**

**Agenda Item #1—Approval of Minutes Regular Meeting May 19, 2015 - Presenter: John Noland**

MOTION by Mrs. Mann; to accept the minutes of the regular meeting on May 19, 2015; seconded by Mr. Hall. Approved unanimously.

**Agenda Item #2— Approval of Audited Financial Report for Fiscal Year ending March 31, 2015. Presenter: Martin Redovan/Michelle Coble, CliftonLarsonAllen**

MOTION by Mr. Webb to accept the audited financial report as presented; seconded by Mr. Hall. Approved unanimously.

**Agenda Item #3— Approval of 2014 Federal IRS Return. Presenter: Martin Redovan/Michelle Coble, CliftonLarsonAllen**

MOTION by Mrs. Mann; to approve the 2014 Federal IRS Return with the change of taking out item IV, which was to operate or administer contract for auxiliary enterprises; seconded by Dr. Parrish. Approved unanimously.

**Agenda Item #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**

MOTION by Dr. Parrish; approve the move of property insurance coverage as presented; seconded by Mr. Webb. Approved unanimously.

**Agenda Item #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**

MOTION by Mrs. Mann; to approve the contract amendment as presented; seconded by Mr. Hall. Approved unanimously.

**Information Only:**

**Florida SouthWestern State College Financing Corporation’s 1st Quarter Financial Statements.**

Mrs. Kivel presented the Florida SouthWestern State College Financing Corporation 1st Quarter Financial Statements and Investment Report for informational only.

**Florida SouthWestern State College Financing Corporation’s Interest Rate Swap Agreement. Presenter: Debbie Kivel**

Mrs. Kivel presented the Florida SouthWestern State College Financing Corporation’s Interest Rate Swap Agreement for informational only.

**President Allbritten’s Comments**

- Fencing has gone up for the construction of the Arena.
- Signature Healthcare may see some impact of construction, but working closely with them.
- September 18, the College will host its first exhibition baseball game at City of Palms Park.
- The College signed a player from the University of Georgia baseball team.
- Our resident halls are full with a large waiting list.

- Center for International Education is underway and we will need a place for these students to live.
- Plan at the end of the fiscal year to recommend we move forward with phase II of housing.
- On July 23, 2015 the State Board of Education will announce the Statewide Performance Model. If all of these areas are met we stand to get extra funding that was set aside by the Legislature. Out of the 28 Florida Colleges, FSW placed 7<sup>th</sup> for meeting the standards of retention, admissions, recruiting, graduation, etc. The College is very hopeful that we be eligible to receive the extra funding.
- Summer camps for softball and baseball were held this summer at City of Palms Park.
- Haven't raised tuition in 3 years.
- We had a swimming pool design group come and speak to us and hope to get some renderings on the swimming pools within the next month or two.

**Adjournment** – The meeting was adjourned at 4:58 p.m.

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Dr. Jeffery S. Allbritten  
Corporate President  
Board of Directors

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David Hall, Secretary  
Board of Directors

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Date

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Date



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

					Quarter Ending 12/31/2015
	Financing Corp	Housing	Debt Services	Investment in Plant	Actual (Year to Date)
<b>CURRENT ASSETS</b>					
Cash & Cash Equivalents	1,290,920	1,394,157	-	-	2,685,077
Accounts Receivable	-	-	-	-	-
Receivable - FSW	-	-	-	-	-
Prepaid Expense	20,193	-	-	-	20,193
Due from Auxiliary	-	-	-	-	-
<b>NONCURRENT ASSETS</b>					
Investments	6,341,205	-	-	-	6,341,205
Restricted Cash & Cash Equivalents	-	-	1,771,109	-	1,771,109
Reserve for Uncollectible Accts	-	(239,737)	-	-	(239,737)
Capital Assets, Net	-	-	-	19,943,607	19,943,607
<b>TOTAL ASSETS</b>	<b>7,652,319</b>	<b>1,154,420</b>	<b>1,771,109</b>	<b>19,943,607</b>	<b>30,521,455</b>
<b>CURRENT LIABILITIES</b>					
Accrued Expense	10,000	50,000	-	-	60,000
Interest Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Due to Current Funds - Unrestricted	-	-	-	-	-
Bonds Payable - Current	-	-	-	150,260	150,260
<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>90,080</b>	<b>-</b>	<b>24,113,431</b>	<b>24,213,511</b>
<b>NET POSITION</b>					
Net Position	7,642,319	1,064,340	1,771,109	(4,169,824)	6,307,944
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>7,652,319</b>	<b>1,154,420</b>	<b>1,771,109</b>	<b>19,943,607</b>	<b>30,521,455</b>

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

	Financing Corp	Housing	Debt Services	Investment in Plant	Total
<b>REVENUE</b>					
Contributions - FSW	233,910	-	-	-	233,910
Contributions - Collegiate High Schools	187,500	-	-	-	187,500
Housing Income	-	1,639,335	-	-	1,639,335
Misc Revenue	-	57,399	-	-	57,399
Insurance Recovery	-	-	-	-	-
Interest	82,017	-	133	-	82,151
Gain/Loss on Investments	(56,670)	-	-	-	(56,670)
Transfer	-	-	247,836	437,676	685,513
<b>Total Revenue</b>	<b>446,757</b>	<b>1,696,734</b>	<b>247,970</b>	<b>437,676</b>	<b>2,829,136</b>
<b>EXPENSES</b>					
Operating Expenses	38,098	75,906	-	-	114,004
Utilities	-	123,303	-	-	123,303
Data & Other Communications Services	-	129,052	-	-	129,052
Insurance	99,795	-	-	-	99,795
Contract Services	75,069	150,000	-	-	225,069
Other Services & Expenses	-	-	-	-	-
Resident Activities	-	19,047	-	-	19,047
Reserves	-	-	-	-	-
Interest Expense	-	438,268	219,899	-	658,167
Depreciation Expense	-	-	-	376,302	376,302
Transfer	-	685,513	-	-	685,513
<b>Total Expenses</b>	<b>212,962</b>	<b>1,621,089</b>	<b>219,899</b>	<b>376,302</b>	<b>2,430,253</b>
<b>Change in Net Position</b>	<b>233,795</b>	<b>75,644</b>	<b>28,070</b>	<b>61,373</b>	<b>398,883</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>7,642,319</b>	<b>1,064,340</b>	<b>1,771,109</b>	<b>(4,169,824)</b>	<b>6,307,944</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**

**General Operating Budget**

	Original Budget	Revised Budget	Actual (as of 12/31/15)	% of Revised Budget
<b><u>SOURCES OF FUNDS</u></b>				
Bandwidth Lease Revenue	\$311,880	\$311,880	\$233,910	75.0%
High School Lease Revenue	250,000	250,000	187,500	75.0%
Investment Income	75,000	75,000	25,347	33.8%
<b>Total Funds Available</b>	<b>\$636,880</b>	<b>\$636,880</b>	<b>\$446,757</b>	<b>70.1%</b>

**USES OF FUNDS**

Operating Expenses	\$30,000	\$54,900	\$38,098	69.4%
Insurance	200,000	200,000	99,795	49.9%
Contract Services	264,550	239,650	75,069	31.3%
<b>Total Expenses</b>	<b>\$494,550</b>	<b>\$494,550</b>	<b>\$212,962</b>	<b>43.1%</b>

**Housing Budget**

	Original Budget	Revised Budget	Actual (as of 12/31/15)	% of Revised Budget
<b><u>SOURCES OF FUNDS</u></b>				
Rent Revenue	\$2,376,980	\$2,376,980	\$1,589,352	66.9%
Resident Activity Fee	24,231	24,231	14,355	59.2%
Cancellation Fees	16,000	16,000	0	0.0%
Application Fees	25,600	25,600	13,875	54.2%
Fines & Penalties	0	0	21,753	100.0%
Miscellaneous Revenue	0	15,000	57,399	100.0%
Fund Balance - Activity Fees	0	1,530		0.0%
<b>Total Funds Available</b>	<b>\$2,442,811</b>	<b>\$2,459,341</b>	<b>\$1,696,734</b>	<b>69.0%</b>

**USES OF FUNDS**

Operating Expenses	\$279,000	\$325,568	\$204,958	63.0%
Utilities	196,000	196,000	123,303	62.9%
Contract Services	203,000	218,000	150,000	68.8%
Reserves	195,162	176,980	0	0.0%
Resident Activities	24,231	25,761	19,047	73.9%
Contingency	40,000	11,614	0	0.0%
Debt Service Payments:				
Principal Payments	587,936	587,936	437,676	74.4%
Interest Expense on Debt	305,482	305,482	247,836	81.1%
SWAP	612,000	612,000	438,268	71.6%
<b>Total Expenses</b>	<b>\$2,442,811</b>	<b>\$2,459,341</b>	<b>\$1,621,089</b>	<b>65.9%</b>

Florida SouthWestern State College Financing Corporation

Executive Investment Summary

Third Quarter Ending 12-31-2015

**Investment Strategy**

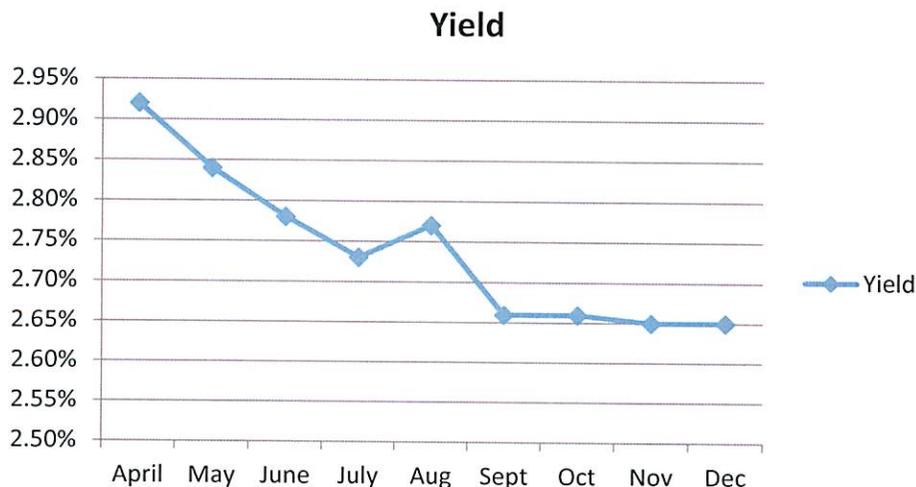
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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 December 31, 2015, the Financing Corporation Portfolio had a market value of \$6,416,893. Through the third quarter ended December 31, 2015 the Financing Corporation had recorded investment income of \$82,017.

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

Meeting Date: 1/19/2016

**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)**

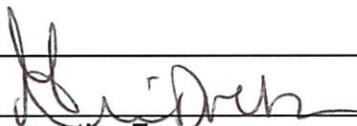
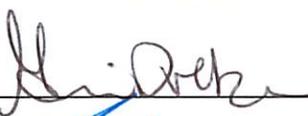
- Statute
- Administrative Code
- Other

**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

<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**  
**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)
7/31/2015	\$ 24,718,447.04	\$ (1,112,195.46)
8/31/2015	\$ 24,670,927.22	\$ (1,086,799.59)
9/30/2015	\$ 24,623,258.05	\$ (1,109,845.34)
10/31/2015	\$ 24,572,942.53	\$ (1,044,995.04)
11/30/2015	\$ 24,524,965.39	\$ (963,356.10)
12/31/2015	\$ 24,474,350.90	\$ (893,590.82)