

Amended - Agenda
Florida SouthWestern State College Financing Corporation (the "Corporation")
Thomas Edison (Lee) Campus – President's Community Room I-223
January 15, 2019
4:00 p.m.

I. Public Comment

II. Vote to Take Action On

1. Approval of the minutes for the October 16, 2018 meeting. Presenter: Eddie Webb
2. Election of Vice Chair. Presenter: Eddie Webb
3. Approval of Support for Resolution of College Legal Dispute: Presenter: Mark Lupe

III. Information Only

4. Third Quarter Financial Statements. Presenter: Kathleen Porter

Board Members' Comments

President's Comments

Adjournment

Minutes

Florida SouthWestern State College Financing Corporation
Thomas Edison (Lee) Campus – President Community Room I-223
October 16, 2018
4:00 PM

The Florida SouthWestern State College Financing Corporation met in Lee County, Florida, on October 16, 2018. Mr. Webb, Chair called the meeting to order at 4:04 p.m.

Members Present: Eddie Webb, III, Chair
Jeffery Allbritten, Corporation President
Mark Lupe, Secretary
Gina Doeble, Treasurer
Randall Parrish, Jr.
John Noland
William “Dennie” Hamilton
Mary Lee Mann
Tristan “Tris” Chapman

Absent: None

Others Present: Kathleen Porter
Dr. Christine Davis
Jason Dudley
Valerie Miller (Recorder)

Public Comment: None

Vote to Take Action On:

Agenda Item #1- Approval of Minutes – Regular Meeting held on August 14, 2018.

MOTION by Mr. Hamilton; to approve the minutes of the regular meeting on the August 14, 2018 with noted corrections; seconded by Mr. Parrish. Approved unanimously as corrected.

Information Only:

Ms. Porter went over the second quarter financials.

Mr. Lupe introduced new board member, Mr. Hamilton, as well as guest speakers, Dr. Christine Davis, Vice Provost, Student Affairs, and Jason Dudley, Chief Information Officer.

Mr. Dudley gave a presentation on the LightHouse Commons wireless broadband project which was approved by the Board of Directors on August 14, 2018. Mr. Dudley discussed the student survey which had been done to identify the IT services desired by students and how the identified needs of the students would be met through the wireless broadband project. Mr. Dudley explained that the project will not only provide students with more desired services, but will also result in savings of \$94,000 per month upon completion of the project and termination of the CenturyLink contract.

Dr. Davis gave a presentation on the diverse student population living at Lighthouse Commons. Dr. Davis reviewed the programming that Student Services is providing to the students in Lighthouse Commons to enrich their experiences while living in the dorms.

President Allbritten's Comments:

- September 28, 2018, was a historic day for the College with the signing of Destination Florida Gulf Coast University (FGCU).
- Provost, Jeff Stewart resigned while under investigation for sexual harassment.
- The Title IX Office completed its sexual harassment investigation.
- The College is closing in on the dean candidate for the School of Health Professions. Dr. Denis Wright is leaving in December and has lead the search for the new dean.
- October 18, 2018, is the Arena's first Career Fair.
- October 20, 2018, Dr. Allbritten will be traveling to Dubai for a SACS Accreditation.
- Dr. Doeble recently returned from a SACS Accreditation visit in Georgia.
- On October 21, 2018, the Doobie Brothers will perform at Barbara B. Mann.
- November 6, 2018, is Tip Off Night for FSW basketball.
- The remodeling of the President's Club at the Barbara B. Mann Hall will not be complete by the start of the season, so there will be an area in the lobby curtained off for President's Club patrons.

Board Comments:

- Mrs. Mann suggested the Board should start thinking about Phase II of student housing.
 - There was discussion about the delivery of services when the student housing population is over 800 students. There are specific requirements that could be problematic such as dedicated dining and health clinics.

Adjournment – The meeting was adjourned at 4:47 p.m.

Dr. Jeffery S. Allbritten
Corporate President
Board of Directors

Mark Lupe, Secretary
Board of Directors

Date

Date

**Florida SouthWestern State College Financing Corporation
Agenda Item Summary**

Meeting Date: 1/15/2019

- 1. **Title:** Florida SouthWestern State College Financing Corp 3rd Qrt. Financial Statements and Investment Summary
- 2. **Action Requested/Purpose:** Informtion Only
- 3. **Fiscal Impact:** Yes No X N/A
- 4. **Funding Source:** Amount: \$
- 5. **Administration Recommendation:**

6. **Agenda Item Type:**
- Action Item
 - Consent Agenda
 - X Information Only
 - Board Requested Information/Report

7. **Requirement/Purpose (Include Citation)**
- Statute
 - Administrative Code
 - Other

8. **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.


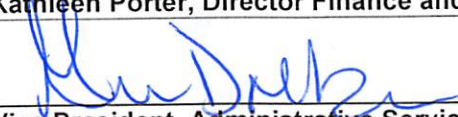
Requested by:	 Kathleen Porter, Director Finance and Accounting
Funding Verified by:	 Vice President, Administrative Services
Approved for Agenda by:	_____ President

TABLE 1
STATEMENT OF NET POSITION
FOR THIRD QUARTER ENDED DECEMBER 31, 2018

	Financing Corp	Housing	Unexpended Plant Fund	Debt Service	Investment in Plant	12/31/18 Actual (YTD)	12/31/17 Actual (YTD)	% Change from Prior Year
CURRENT ASSETS								
Cash & Cash Equivalents	\$ 805,154	\$ 1,904,456	\$ 15,975	\$ -	\$ -	\$ 2,725,585	\$ 2,463,188	11%
Accounts Receivable - College	-	1,404,920	-	-	-	1,404,920	1,449,753	-3%
Prepaid Expense	19,209	-	-	-	-	19,209	19,553	-2%
NONCURRENT ASSETS								
Investments	4,648,067	-	-	-	-	4,648,067	5,616,943	-17%
Restricted Cash & Cash Equivalents	-	-	\$ 383,554	1,399,713	-	1,783,267	1,771,463	1%
Reserve for Uncollectible Accts	-	(99,793)	-	-	-	(99,793)	(69,537)	44%
Capital Assets, Net	-	-	-	-	18,851,387	18,851,387	19,454,603	-3%
TOTAL ASSETS	\$ 5,472,429	\$ 3,209,583	\$ 399,529	\$ 1,399,713	\$ 18,851,387	\$ 29,332,641	\$ 30,705,966	-4%
CURRENT LIABILITIES								
Accrued Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,500	-100%
Bonds Payable - Current	-	-	-	-	-	-	164,031	-100%
NONCURRENT LIABILITIES								
Bonds Payable - Non-Current	-	-	-	-	21,709,633	21,709,633	22,715,036	-4%
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ 21,709,633	\$ 21,709,633	\$ 22,926,567	-5%
NET POSITION	5,472,429	3,209,583	399,529	1,399,713	(2,858,246)	7,623,008	\$ 7,779,399	-2%
TOTAL LIABILITIES & NET POSITION	\$ 5,472,429	\$ 3,209,583	\$ 399,529	\$ 1,399,713	\$ 18,851,387	\$ 29,332,641	\$ 30,705,966	-4%



TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THIRD QUARTER ENDED DECEMBER 31, 2018

	Financing Corp	Housing	Unexpended Plant	Debt Service	Investment in Plant	12/31/18 Total (YTD)	12/31/17 Total (YTD)	% Change from Prior Year
REVENUE								
Contributions - FSW/Broadband Lease	\$ 269,433	\$ -	\$ -	\$ -	\$ -	\$ 269,433	245,065	10%
Contributions - Collegiate High Schools	150,000	-	-	-	-	150,000	162,500	-8%
Housing Income	-	2,965,039	-	-	-	2,965,039	2,876,568	3%
Interest	82,707	3,838	-	8,969	-	95,514	77,813	23%
Gain/Loss on Investments	(2,053)	-	-	-	-	(2,053)	13,578	-115%
Subtotal Before Transfers:	500,088	2,968,876	-	8,969	-	3,477,933	3,375,524	
Transfer	-	-	315,265	642,112	1,169,434	2,126,811	845,109	152%
Total Revenue	\$ 500,088	\$ 2,968,876	\$ 315,265	\$ 651,081	\$ 1,169,434	\$ 5,604,744	\$ 4,220,633	33%
EXPENSES								
Operating Expenses	\$ 10,706	\$ 21,327	\$ -	\$ 65	\$ -	\$ 32,098	23,011	39.5%
Utilities	-	123,714	-	-	-	123,714	121,612	2%
Data & Other Communications Services	-	127,793	83,986	-	-	211,779	116,959	81%
Insurance	101,380	-	-	-	-	101,380	102,640	-1%
Contract Services	30,000	124,381	35,690	-	-	190,071	209,372	-9%
Other Services	23,500	-	179,614	-	-	203,114	199,734	2%
Resident Activities	-	8,640	-	-	-	8,640	7,821	10%
Other Expense	-	-	-	-	-	-	104,637	-100%
Interest Expense	-	-	-	452,564	-	452,564	621,113	-27%
Depreciation Expense	-	-	-	-	479,013	479,013	479,013	0%
Subtotal Before Transfers:	165,586	405,854.73	299,290.09	452,629	479,013	1,802,374	1,985,912	
Transfer	-	2,126,811	-	-	-	2,126,811	845,109	152%
Total Expenses	\$ 165,586	\$ 2,532,665.92	\$ 299,290	\$ 452,629	\$ 479,013	\$ 3,929,185	2,831,021	39%
Change in Net Position	334,502	436,211	15,975	198,452	690,421	1,675,559	1,389,612	21%
Beginning Net Position	5,137,927	2,773,372	383,554	1,201,261	(3,548,666)	5,947,448	6,389,787	
Ending Net Position	\$ 5,472,429	\$ 3,209,583	\$ 399,529	\$ 1,399,713	\$ (2,858,246)	\$ 7,623,008	\$ 7,779,399	-2%



FINANCING CORPORATION

TABLE 3
COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET
for Fiscal Year Ending March 31, 2019

General Operating Budget

	Original Budget	Revised Budget	Actual at 12/31/18	% of Revised Budget
SOURCES OF FUNDS				
Bandwidth Lease Revenue	\$358,656	\$358,656	\$269,433	75.1%
High School Lease Revenue	200,000	200,000	150,000	75.0%
Investment Income	77,000	77,000	80,655	104.7%
Total Funds Available	\$635,656	\$635,656	\$500,088	78.7%
USES OF FUNDS				
Operating Expenses	\$27,000	\$27,000	\$10,706	39.7%
Insurance	112,535	112,535	101,380	90.1%
Contract/Other Services	64,000	64,000	53,500	83.6%
Contingency	50,000	50,000	0	0.0%
Total Expenses	\$253,535	\$253,535	\$165,586	65.3%

Housing Budget

	Original Budget	Revised Budget	Actual at 12/31/18	% of Revised Budget
SOURCES OF FUNDS				
Rent Revenue	\$2,376,647	\$2,376,647	\$2,842,944	119.6%
Resident Activity Fee	32,308	32,308	36,040	111.6%
Can.Fees/Forfeited Dep./Fines	20,000	20,000	27,460	137.3%
Application Fees	30,000	30,000	18,895	63.0%
Interest	0	0	12,807	0.0%
Cleaning Fee	40,400	40,400	39,700	98.3%
Fund Balance - Activity Fees	9,000	9,000	9,000	100.0%
Fund Balance - Housing		420,853	0	0.0%
Total Funds Available	\$2,508,355	\$2,929,208	\$2,986,845	102.0%
USES OF FUNDS				
Operating Expenses	\$306,893	\$306,893	\$149,185	48.6%
Utilities	212,425	212,425	123,714	58.2%
Repairs and Maintenance	151,877	151,877	90,269	59.4%
Contract Services	177,300	177,300	127,886	72.1%
Resident Activities	17,208	17,208	8,640	50.2%
Contingency	111,637	111,637	0	0.0%
Reserve	150,000	150,000	0	0.0%
Debt Service Payments:				
Principal Payments	737,570	1,169,434	1,169,434	100.0%
Interest Expense on Debt	643,445	632,434	452,564	71.6%
Total Expenses	\$2,508,355	\$2,929,208	\$2,121,692	72.4%

Capital Reserve Budget

	Original Budget	Revised Budget	Actual at 6/30/18	% of Revised Budget
SOURCES OF FUNDS				
Transfer - Housing	\$163,388	\$163,388	\$163,388	100.0%
Fund Balance	\$0	\$83,105	\$83,105	100.0%
Total Funds Available	\$163,388	\$246,493	\$246,493	100.0%
USES OF FUNDS				
Housing Furniture / Equipment Turnover	\$114,840	\$114,840	\$93,636	81.5%
Lighthouse Wireless Project	\$0	\$131,653	\$111,881	85.0%
Total Expenses	\$114,840	\$246,493	\$205,516	83.4%

Florida SouthWestern State College Financing Corporation

Executive Investment Summary

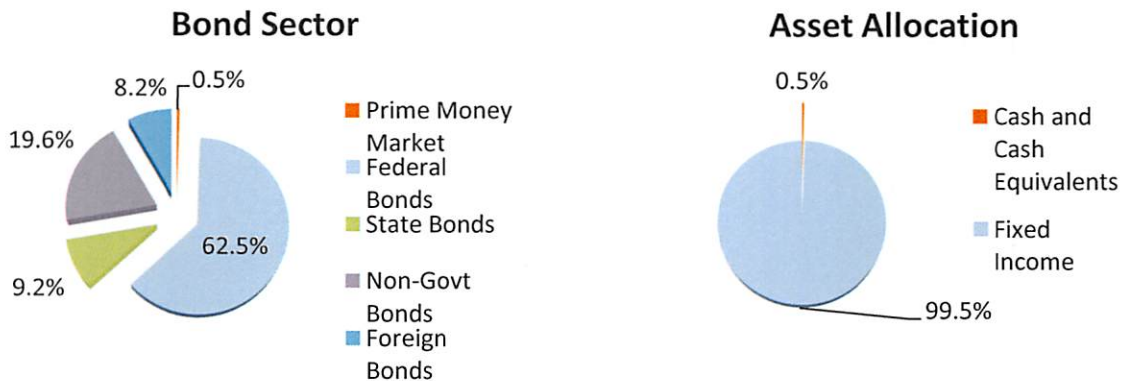
Third Quarter Ending 12-31-2018

Investment Strategy

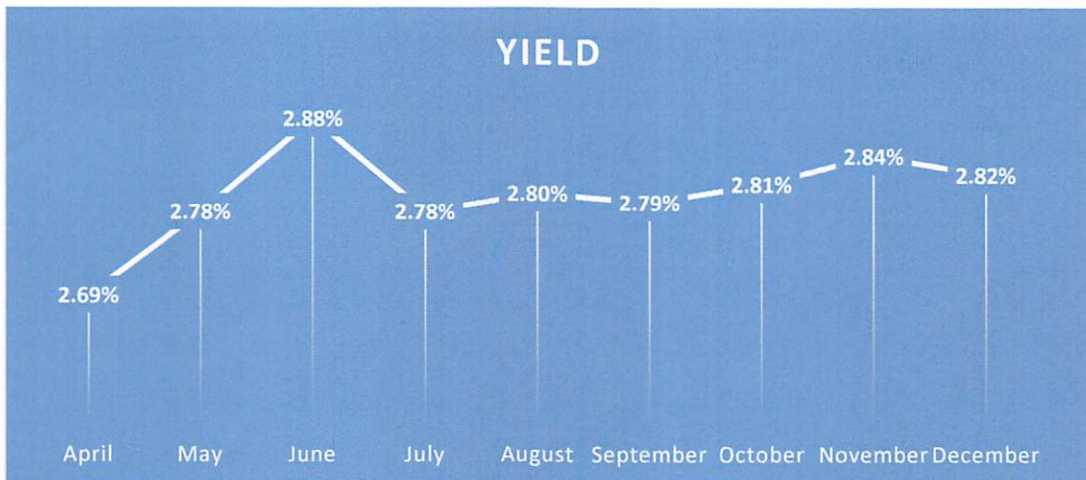
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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 December 31, 2018 the Financing Corporation Portfolio had a market value of \$4,672,951.09. Through the period ended December 31, 2018 the Financing Corporation had recorded investment income of \$80,654.59.