

Agenda

Florida SouthWestern State College Financing Corporation (the “Corporation”)

By Zoom Audio Meeting and at Lee Campus I-223

October 13, 2020

4:00 p.m.

I. Public Comment

II. Vote to Take Action On

1. Approval of the minutes for the August 11, 2020 meeting. Presenter: Mr. Chapman (Page 2)
2. Legal Updates. Presenter: Mr. Lupe
3. Appointment of new corporate Secretary. Presenter: Mr. Lupe
4. Student Housing Budget Amendment. Presenter: Kathleen Porter

III. Information Only

5. Second Quarter Financial Statements. Presenter: Kathleen Porter

Board Members' Comments

President's Comments

Adjournment

Minutes

Florida SouthWestern State College Financing Corporation
By Zoom Audio Meeting and at Lee Campus I-223
August 11, 2020
4:00 PM

The Florida SouthWestern State College Financing Corporation met by Zoom audio meeting and at Building I-223 in Lee County, Florida, on August 11, 2020. Mr. Chapman, Chair, called the meeting to order at 4:00 p.m.

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

Absent: William "Dennie" Hamilton

Others Present: Kathleen Porter
Amber Redfern
Carl Joseph Coleman, Esq.
Linda Saunders
Christopher Kessler, CPA
E. Michele Yovanovich
Joe Coleman

Public Comment: None

Vote to Take Action On:

Agenda Item #1 and #2- Approval of the minutes of the March 24, 2020 and the April 11, 2020 meetings:

MOTION by John Noland; to approve the minutes of the March 24, 2020 and the April 11, 2020 meetings; seconded by Randall Parrish, Jr. Approved unanimously.

Agenda Item #3- Approval of the Florida SouthWestern State College Financing Corporation's Audited Financial Report for the fiscal year ending March 31, 2020:

MOTION by Mary Lee Mann; to approve the Florida SouthWestern State College Financing Corporation's Audited Financial Report for the fiscal year ending March 31, 2020; seconded by John Noland. Approved unanimously.

Agenda Item #4- Approval of the Florida SouthWestern State College Financing Corporation's 2019 Federal IRS Return of Exempt from Income Tax Form 990:

MOTION by Mary Lee Mann; to approve the Florida SouthWestern State College Financing Corporation's 2019 Federal IRS Return of Exempt from Income Tax Form 990; seconded by John Noland. Approved unanimously.

Information Only:

Kathleen Porter presented the First Quarter Financial Statements for the Florida SouthWestern State College Financing Corporation.

Gina Doeble presented the results of the tuition guarantee for the Summer Tuition Payment Plan.

Gina Doeble and Michele Yovanovich presented on the Fall Semester student housing occupancy rates and policy changes to address the Covid-19 pandemic.

Board Comments:

Mary Lee Mann congratulated staff for the clean audit report.

President Comments:

President Allbritten informed the Board of Directors about the reopening plans that are in place for the Fall Semester.

Adjournment – The meeting was adjourned at 4:43 pm.

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: 10/13/2020

1. **Title:** Student Housing Budget Amendment
2. **Action Requested/Purpose:** Approval of the Student Housing Budget Amendment.
3. **Fiscal Impact:** Yes No N/A
4. **Funding Source:** Housing Fund Balance Amount: \$ 542,160
5. **Administration Recommendation:** The Administration recommends the approval of student housing budget amendment.

6. Agenda Item Type:

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

7. Requirement/Purpose (Include Citation)

- Statute
- Administrative Code
- Other

8. Background Information:

Administration recommends an amendment to the housing budget due to a projected decrease in FY21 housing revenue resulting from a 20% occupancy reduction created by the impact of COVID19. Expenses will be held constant so the remaining \$542,160 in revenue will be covered from fund balance.

Requested by:

Kathleen Porter

Kathleen Porter, Director, Finance and Accounting

Funding Verified by:

Kevin Doeble

Vice President, Administrative Services

Approved for Agenda by:

President



FINANCING CORPORATION

Housing Budget

	Original Budget	Revised Budget
<u>SOURCES OF FUNDS</u>		
Rent Revenue	\$2,553,000	\$2,042,400
Resident Activity Fee	35,000	28,000
Can.Fees/Forfeited Dep./Fines	49,000	39,200
Application Fees	38,000	30,400
Interest	0	0
Cleaning Fee	21,000	16,800
Fund Balance - Activity Fees	14,800	11,840
Fund Balance - Housing	0	542,160
Total Funds Available	\$2,710,800	\$2,710,800

USES OF FUNDS

General Expense		
Travel	\$12,000	\$12,000
Data & Other Communication Serv.	42,000	42,000
Rentals / Others	10,260	10,260
Utilities	243,396	243,396
Resident Activities	26,600	26,600
Repairs and Maintenance	384,225	384,225
Contract Services	301,274	301,274
Uses Before Contingency & Reserve	\$1,019,755	\$1,019,755
Contingency	100,000	100,000
Capital Reserve	200,000	200,000
Debt Service Payments:		
Principal Payments	764,468	764,468
Interest Expense on Debt	626,577	626,577
Total Expenses	\$2,710,800	\$2,710,800

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

Meeting Date: 10/13/2020

1. **Title:** Florida SouthWestern State College Financing Corp 2nd Qrt. Financial Statements and Investment Summary
2. **Action Requested/Purpose:** Information 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

Kathleen Porter, Director Finance and Accounting

Funding Verified by:

Kevin Doeble

Vice President, Administrative Services

Approved for Agenda by:

President



FINANCING CORPORATION

TABLE 1
STATEMENT OF NET POSITION
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2020

	General Operating	Housing	Unexpended Plant Fund	Debt Service	Investment in Plant	6/30/20 Actual (YTD)	6/30/19 Actual (YTD)	% Change from Prior Year
CURRENT ASSETS								
Cash & Cash Equivalents	\$ 1,393,349	\$ 2,401,217	\$ 195,478	\$ -	\$ -	\$ 3,990,044	\$ 4,206,773	-5.2%
Accounts Receivable		422,630	-	-	-	422,630	380,937	10.9%
Prepaid Expense	20,527	154	12,359	-	-	33,040	34,881	-5.3%
NONCURRENT ASSETS								
Investments	4,862,874	-	-	-	-	4,862,874	4,452,723	9.2%
Restricted Cash & Cash Equivalents	-	-	\$ 164,240	1,416,037	-	1,580,277	1,518,443	4.1%
Reserve for Uncollectible Accts	-	(28,667)	-	-	-	(28,667)	(25,735)	11.4%
Capital Assets, Net	-	-	-	-	17,753,158	17,753,158	18,378,864	-3.4%
TOTAL ASSETS	\$ 6,276,750	\$ 2,795,334	\$ 372,077	\$ 1,416,037	\$ 17,753,158	\$ 28,613,357	\$ 28,946,886	-1.15%
CURRENT LIABILITIES								
Accrued Expense	\$ 26,500	\$ 86,097	\$ -	\$ -	\$ -	\$ 112,597	\$ -	100.0%
Bonds Payable - Current	-	-	-	-	385,053	385,053	373,776	3.0%
Due to Component Unit	-	17,807	-	-	-	17,807	-	100.0%
NONCURRENT LIABILITIES								
Bonds Payable - Non-Current	-	-	-	-	20,214,169	20,214,169	20,972,998	-3.6%
TOTAL LIABILITIES	\$ 26,500	\$ 103,904	\$ -	\$ -	\$ 20,599,222	\$ 20,729,626	\$ 21,346,774.22	-2.9%
NET POSITION	6,250,250	2,691,430	372,077	1,416,037	(2,846,064)	7,883,731	7,600,112	3.7%
TOTAL LIABILITIES & NET POSITION	\$ 6,276,750	\$ 2,795,334	\$ 372,077	\$ 1,416,037	\$ 17,753,158	\$ 28,613,357	\$ 28,946,886	-1.15%

*Note: \$1,302,481.13 - Corp Acct
90,867.87 - Invest Acct



TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2020

	General Operating	Housing	Unexpended Plant	Debt Service	Investment in Plant	9/30/20 Total (YTD)	9/30/19 Total (YTD)	% Change from Prior Year
REVENUE								
FSW/Broadband Lease	\$ 179,328	\$ -	\$ -	\$ -	\$ -	\$ 179,328	\$ 179,328	0.0%
Collegiate High Schools	132,500	-	-	-	-	132,500	100,000	32.5%
Rent Revenue	-	954,058	-	-	-	954,058	1,612,418	-40.8%
Resident Activity Fee	-	12,680	-	-	-	12,680	19,200	-34.0%
Canc.Fees/Forfeit Dep/Fines	-	12,940	-	-	-	12,940	13,965	-7.3%
Application Fees	-	30,020	-	-	-	30,020	17,100	75.6%
Cleaning Fees	-	16,100	-	-	-	16,100	24,050	-33.1%
Interest	49,338	2,248	-	1,415	-	53,001	66,924	-20.8%
Gain/Loss on Investments	21,484	-	-	-	-	21,484	42,669	49.6%
Subtotal Before Transfers:	382,650	1,028,047	0	1,415	0	1,412,112	2,075,654	-32.0%
Transfer	-	-	200,000	318,005	373,776	891,781	984,923	-9.5%
Total Revenue	\$ 382,650	\$ 1,028,047	\$ 200,000	\$ 319,420	\$ 373,776	\$ 2,303,893	\$ 3,060,577	-24.72%
EXPENSES								
General Expense								
Operating Expenses	\$ 32,771	\$ -	\$ -	\$ -	\$ -	\$ 32,771	\$ 31,143	5.2%
Travel	-	-	-	-	-	-	1,921	-100.0%
Data & Other Communications Services	-	14,000	-	-	-	14,000	76,225	-81.6%
Technology Equipment & Supplies	-	26,132	-	-	-	26,132	63,634	-58.9%
Utilities	-	53,043	-	-	-	53,043	80,531	-34.1%
Resident Activities	-	9,387	-	-	-	9,387	16,609	-43.5%
Insurance	126,086	-	-	-	-	126,086	116,053	8.6%
Repairs & Maintenance	-	96,152	47,143	-	-	143,294	308,626	-53.6%
Contract Services	53,000	206,485	156	-	-	259,641	219,171	18.5%
Other Expense	-	10,418	-	-	-	10,418	7,258	43.6%
Interest Expense	-	-	-	109,498	-	109,498	111,783	-2.0%
Depreciation Expense	-	-	-	-	312,853	312,853	312,853	0.0%
Subtotal Before Transfers:	211,857	415,617	47,299	109,498	312,853	1,097,124	1,345,806	
Transfer	-	891,781	-	-	-	891,781	984,923	-9.5%
Total Expenses	\$ 211,857	\$ 1,307,399	\$ 47,299	\$ 109,498	\$ 312,853	\$ 1,988,905	\$ 2,330,729	-14.67%
Change in Net Position	170,793	(279,352)	152,701	209,923	60,923	314,988	729,848	
Beginning Net Position	6,079,458	2,970,782	219,375	1,206,115	(2,906,987)	7,568,742	6,870,264	
Ending Net Position	\$ 6,250,250	\$ 2,691,430	\$ 372,077	\$ 1,416,037	\$ (2,846,064)	\$ 7,883,731	\$ 7,600,112	3.73%

Notes:

Repairs & Maintenance:

- Lock Maintenance / Key replacements
- Air Conditioning Maintenance
- Pest Control
- Carpet Replacement
- Fire Protection Maintenance
- Appliance Repairs
- Moving of furniture

Contracted Services:

- Administrative Services
- Personnel Serv. (Public Safety, Maintenance, Student Life)
- Custodial and Grounds Service



FINANCING CORPORATION

TABLE 3
COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET
for Fiscal Year Ending March 31, 2021

General Operating Budget				
	Original Budget	Revised Budget	Actual at 9/30/20	% of Revised Budget
SOURCES OF FUNDS				
Bandwidth Lease Revenue	\$358,656	\$358,656	\$179,328	50.0%
High School Lease Revenue	280,000	280,000	132,500	47.3%
Investment Income	83,678	83,678	70,822	84.6%
Total Funds Available	\$722,334	\$722,334	\$382,650	52.97%

USES OF FUNDS				
Operating Expenses	\$53,043	\$53,043	\$32,771	61.8%
Insurance	121,538	121,538	126,086	103.7%
Contract/Other Services	130,100	130,100	53,000	40.7%
Miscellaneous / Market Study Expense	80,000	80,000	0	0.0%
Contingency	100,000	100,000	0	0.0%
Total Expenses	\$484,681	\$484,681	\$211,857	43.71%

Housing Budget				
	Original Budget	Revised Budget	Actual at 9/30/20	% of Revised Budget
SOURCES OF FUNDS				
Rent Revenue	\$2,553,000	\$2,042,400	\$954,058	46.7%
Resident Activity Fee	35,000	28,000	12,680	45.3%
Can.Fees/Forfeited Dep./Fines	49,000	39,200	12,940	33.0%
Application Fees	38,000	30,400	30,020	98.8%
Interest	0	0	2,248	0.0%
Cleaning Fee	21,000	16,800	16,100	95.8%
Fund Balance - Activity Fees	14,800	11,840	0	0.0%
Fund Balance - Housing	0	542,160	0	0.0%
Total Funds Available	\$2,710,800	\$2,710,800	\$1,028,047	37.92%

USES OF FUNDS				
General Expense				
Travel	\$12,000	\$6,000	\$0	0.0%
Data & Other Communication Serv.	42,000	42,000	14,000	33.3%
Rentals /Other Expense	10,260	16,260	10,418	64.1%
Utilities	243,396	243,396	53,043	21.8%
Resident Activities	26,600	26,600	9,387	35.3%
Repairs and Maintenance	384,225	384,225	122,284	31.8%
Contract Services	301,274	301,274	206,485	68.5%
Uses Before Contingency & Reserve	\$1,019,755	\$1,019,755	\$415,617	40.8%
Contingency	100,000	100,000	0	0.0%
Capital Reserve	200,000	200,000	0	0.0%
Debt Service Payments:				
Principal Payments	764,468	764,468	373,776	48.9%
Interest Expense on Debt	626,577	626,577	109,498	17.5%
Total Expenses	\$2,710,800	\$2,710,800	\$898,891	33.16%

Capital Reserve Budget - Unexpended Plant				
	Original Budget	Revised Budget	Actual at 9/30/20	% of Revised Budget
SOURCES OF FUNDS				
Transfer - Housing	\$200,000	\$200,000	\$200,000	100.0%
Fund Balance	0	0	0	0.0%
Total Funds Available	\$200,000	\$200,000	\$200,000	100.00%
USES OF FUNDS				
Furniture / Equipment Turnover	\$93,800	\$93,800	\$47,299	50.4%
Suite VCT/LVT Replacement	106,200	106,200	0	0.0%
Total Expenses	\$200,000	\$200,000	\$47,299	23.65%

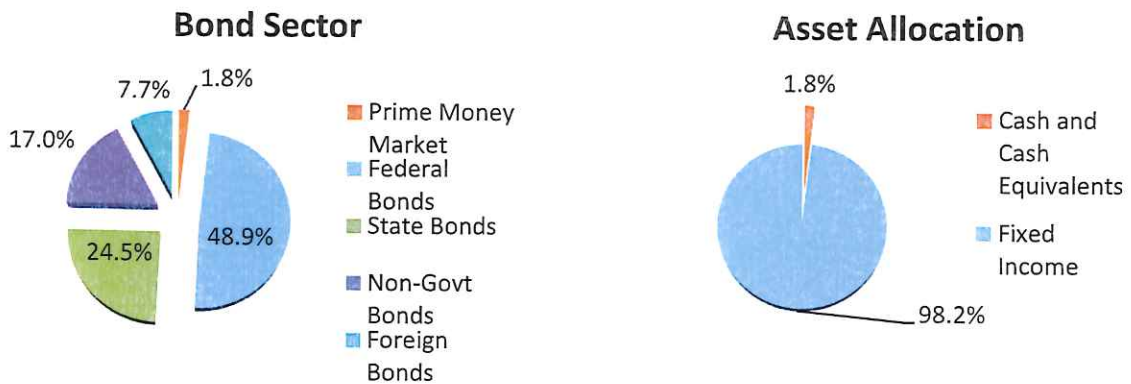
Florida SouthWestern State College Financing Corporation
Executive Investment Summary
Second Quarter Ending 9-30-2020

Investment Strategy

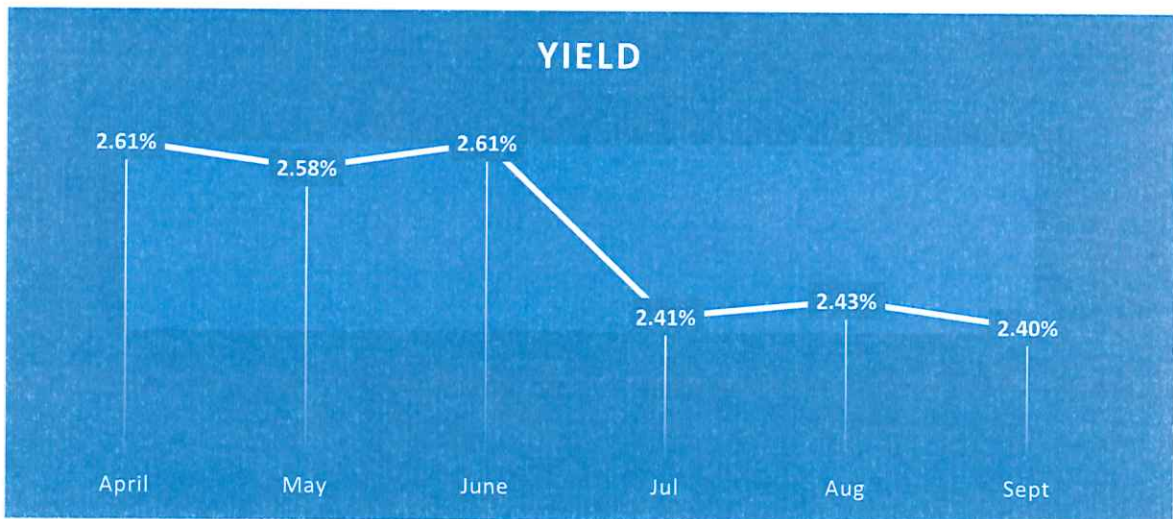
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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 September 30, 2020 the Financing Corporation Portfolio had a market value of \$4,953,742. Through the period ended September 30, 2020 the Financing Corporation had recorded investment income of \$63,648 net of fees.

