

Agenda

**Florida SouthWestern State College Financing Corporation (the “Corporation”)
Charlotte Campus – President’s Community Room J-123
October 18, 2016
4:00 p.m.**

I. Public Comment

II. Vote to Take Action On:

1. Approval of the July 19, 2016 minutes. Presenter: John Noland (Page 1)

III. Information Only

2. Florida SouthWestern State College Financing Corporation Interest Rate Swap Agreement Market Valuation. Presenter: Gina Doeble (Page 4)
3. Florida SouthWestern State College Financing Corporation 2nd Quarter Financial Statements and Investment Report. Presenter: Gina Doeble (Page 6)

III. Discussion

4. Short Term Investment Options. Presenter: Gina Doeble
5. Line of Credit and Options. Presenter: Gina Doeble

Board Members’ Comments

President’s Comments

Adjournment

Minutes

Florida SouthWestern State College Financing Corporation
Thomas Edison Campus – President’s Community Room, I-223
July 19, 2016
4:00 p.m.

The Florida SouthWestern State College Financing Corporation met in Lee County, Florida, on July 19, 2016. John Noland, Chair called the meeting to order at 4:03 p.m.

Members Present: John Noland, Chair
Eddie Webb, III, Vice Chair
David Hall, Secretary
Mary Lee Mann
Randall Parrish, Jr., OD
Jeffery Allbritten, DA, Corporation President
Gina Doeble, Treasurer

Others Present: Mark Lupe, General Counsel
Debbie Kivel, DSO Finance
Kathleen Porter
Justine Lewis, Recorder

Presenters: Martin Redovan – CliftonLarsonAllen
Michelle Coble - CliftonLarsonAllen

Public Comment: None

Vote to Take Action On:

Agenda Item #1- Approval of Minutes Regular Meeting March 17, 2016 - Presenter: John Noland

MOTION by Mr. Hall; to accept the minutes of the regular meeting on March 17, 2016; seconded by Mrs. Mann. Approved unanimously.

Agenda Item #2- Approval of the Audited Financial Report for Fiscal Year ending March 31, 2016. Presenter: Martin Redovan – CliftonLarsonAllen

Mr. Redovan presented the Board with the results of his audit. Significant Audit conclusions included:

- Internal financial statements are free of material misstatements and are presented fairly in accordance with the Generally Accepted Accounting Principles.
- No material weaknesses were found in internal controls over financial reporting.
- No instances of noncompliance were reported.

MOTION by Mrs. Mann to approve the Audited Financial Report for Fiscal Year ending March 31, 2016; seconded by Mr. Hall. Approved unanimously.

Agenda Item #3- Approval of the 2015 Federal IRS Return of Organization Exempt from Income Tax Form 990: Martin Redovan and Michelle Coble-CliftonLarsonAllen

MOTION by Mrs. Mann to approve the 2015 Federal IRS Return of Organization Exempt from Income Tax Form 990; seconded by Mr. Webb. Approved unanimously.

Agenda Item #4 - Approval of an amended operating budget for the Fiscal Year ending March 31, 2017, including an amended project budget for the construction of The Lighthouse Commons Recreational Pool

MOTION by Mr. Hall to approve the amended operating budget for the Fiscal Year ending March 31, 2017, including an amended project budget for the construction of The Lighthouse Commons Recreational Pool; seconded by Dr. Parrish. Approved unanimously

Information Only:

Florida SouthWestern State College Financing Corporation's 1st Quarter Financial Statements and Investment Reports.

Dr. Doeble 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 Market Valuation.

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

Board Member Comments:

- Both Mrs. Mann and Mr. Hall inquired about the research on investing \$1 mm of Financing Corp money in either a money market account or a certificate of deposit to try and earn more interest. Dr. Doeble to report back at the October 18, 2016, meeting.

President Allbritten's Comments:

- Tuition has not been raised in four years.
- President Allbritten mentioned he was approaching his 4 year anniversary with FSW.
- Enrollment is up 6% from last year.
- June was the ground breaking for the new Hendry Glades building.
- Softball player Courtney Gettins became the National pitcher of the year.
- May graduation was the last graduation that will take place off campus.
- November 29, 2016 will be the first basketball game at the new Suncoast Arena.
- Approval for the Arena floor design
- Arena has sold over 400 reservations for Season tickets
- The Foundation is continuing to work on getting sponsors for the college.

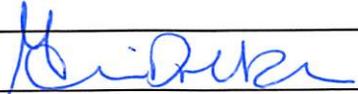
Adjournment – The meeting was adjourned at 4:48 p.m.

Dr. Jeffery S. Allbritten
Corporate President
Board of Directors

David Hall, Secretary
Board of Directors

Date

Date

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION Agenda Item Summary	
Meeting Date: 10/18/2016	
1. Action Requested/Purpose: Florida SouthWestern State College Financing Corporation Interest Rate Swap Agreement Market Valuation	
2. Fiscal Impact: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
3. Funding Source: Amount: \$	
4. Administration Recommendation:	
5. Agenda Item Type: <input type="checkbox"/> Action Item <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Board Requested Information/Report	8. Requirement/Purpose (Include Citation) <input type="checkbox"/> Statute <input type="checkbox"/> Administrative Code <input type="checkbox"/> 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

Valuation Date	Outstanding Notional	Total Value
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)
1/29/2016	\$ 24,426,063.88	\$ (954,178.35)
2/29/2016	\$ 24,377,625.09	\$ (912,382.44)
3/31/2016	\$ 24,324,090.82	\$ (873,167.02)
4/30/2016	\$ 24,275,331.53	\$ (823,759.40)
5/31/2016	\$ 24,223,957.74	\$ (758,441.80)
6/30/2016	\$ 24,174,883.72	\$ (779,479.32)
7/29/2016	\$ 24,123,204.40	\$ (715,123.20)
8/31/2016	\$ 24,073,813.70	\$ (643,550.19)
9/30/2016	\$ 24,024,267.77	\$ (615,010.27)

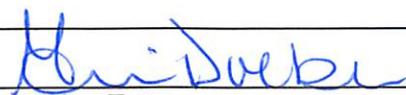
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION Agenda Item Summary	
Meeting Date: 10/18/2016	
1. Action Requested/Purpose: Florida SouthWestern State College Financing Corporation 2nd Quarter Financial Statements and Investment Report	
2. Fiscal Impact: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
3. Funding Source: Amount: \$	
4. Administration Recommendation:	
5. Agenda Item Type: <input type="checkbox"/> Action Item <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Board Requested Information/Report	8. Requirement/Purpose (Include Citation) <input type="checkbox"/> Statute <input type="checkbox"/> Administrative Code <input type="checkbox"/> 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 SECOND QUARTER ENDED SEPTEMBER 30, 2016

	Financing Corp	Housing	Unexpended Plant Fund	Debt Services	Investment in Plant	Actual (Year to Date)
CURRENT ASSETS						
Cash & Cash Equivalents	813,934	1,945,421	666,474	-	-	3,425,829
Accounts Receivable	62,500	-	-	-	-	62,500
Receivable - FSW	-	-	-	-	-	-
Prepaid Expense	84,121	-	-	-	-	84,121
Due from Auxiliary	-	-	-	-	-	-
NONCURRENT ASSETS						
Investments	6,158,197	-	-	-	-	6,158,197
Restricted Cash & Cash Equivalents	-	-	-	1,771,242	-	1,771,242
Reserve for Uncollectible Accts	-	(106,862)	-	-	-	(106,862)
Construction in Progress	-	-	-	-	66,306	66,306
Capital Assets, Net	-	-	-	-	19,473,230	19,473,230
TOTAL ASSETS	7,118,752	1,838,559	666,474	1,771,242	19,539,536	30,934,563
CURRENT LIABILITIES						
Accrued Expense	-	-	-	-	-	-
Interest Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Due to Current Funds - Unrestricted	-	-	-	-	-	-
Bonds Payable - Current	-	-	-	-	312,716	312,716
NONCURRENT LIABILITIES						
Derivative Instrument - Interest Rate SWAP	-	53,003	-	-	-	53,003
Bonds Payable - Non-Current	-	-	-	-	23,350,632	23,350,632
TOTAL LIABILITIES	-	53,003	-	-	23,663,348	23,716,351
NET POSITION						
Net Position	7,118,752	1,785,557	666,474	1,771,242	(4,123,812)	7,218,213
TOTAL LIABILITIES & NET POSITION	7,118,752	1,838,560	666,474	1,771,242	19,539,536	30,934,564

TABLE 2
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR SECOND QUARTER ENDED SEPTEMBER 30, 2016

	Financing Corp	Housing	Unexpended Plant	Debt Services	Investment in Plant	Total
REVENUE						
Contributions - FSW	155,940	-	-	-	-	155,940
Contributions - Collegiate High Schools	125,000	-	-	-	-	125,000
Housing Income	-	1,226,696	-	-	-	1,226,696
Misc Revenue	-	72,150	-	-	-	72,150
Interest	45,318	-	-	89	-	45,407
Gain/Loss on Investments	(11,845)	-	-	-	-	(11,845)
Transfer	-	-	675,000	183,806	299,823	1,158,629
Total Revenue	314,413	1,298,846	675,000	183,895	299,823	2,771,977
EXPENSES						
Operating Expenses	9,585	83,825	-	-	-	93,410
Utilities	-	69,263	-	-	-	69,263
Data & Other Communications Services	-	81,492	-	-	-	81,492
Insurance	38,846	-	-	-	-	38,846
Contract Services	12,570	27,250	-	-	-	39,820
Other Services & Expenses	23,500	25,739	-	-	-	49,239
Resident Activities	-	5,722	-	-	-	5,722
Reserves	-	-	-	-	-	-
Interest Expense	-	262,552	-	152,833	-	415,385
Depreciation Expense	-	-	-	-	282,227	282,227
Transfer	675,000	483,629	-	-	-	1,158,629
Total Expenses	759,502	1,039,471	-	152,833	282,227	2,234,033
CAPITAL EXPENSES						
Recreational Pool	-	-	41,220	-	-	41,220
Change in Net Position	(445,089)	259,375	633,780	31,061	17,596	496,725
Beginning Net Position	7,563,841	1,526,182	32,694	1,740,180	(4,141,409)	6,721,488
Ending Net Position	7,118,752	1,785,557	666,474	1,771,242	(4,123,812)	7,218,213

TABLE 3
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET
for Fiscal Year Ending March 31, 2017

<i>General Operating Budget</i>				
	Original Budget	Revised Budget	Actual (as of 9/30/16)	% of Revised Budget
<u>SOURCES OF FUNDS</u>				
Bandwidth Lease Revenue	\$311,880	\$311,880	\$155,940	50.0%
High School Lease Revenue	250,000	250,000	125,000	50.0%
Investment Income	75,000	75,000	33,473	44.6%
Fund Balance	673,520	673,520	0	0.0%
Total Funds Available	\$1,310,400	\$1,310,400	\$314,413	24.0%

<u>USES OF FUNDS</u>				
Operating Expenses	\$30,000	\$30,000	\$9,585	32.0%
Insurance	105,000	105,000	38,846	37.0%
Contract Services	64,900	64,900	12,570	19.4%
Other Expenses	450,000	450,000	23,500	5.2%
Interest on Debt	10,500	10,500	0	0.0%
Contingency	50,000	50,000	0	0.0%
Transfer	600,000	675,000	675,000	100.0%
Total Expenses	\$1,310,400	\$1,385,400	\$759,502	54.8%

<i>Housing Budget</i>				
	Original Budget	Revised Budget	Actual (as of 9/30/16)	% of Revised Budget
<u>SOURCES OF FUNDS</u>				
Rent Revenue	\$2,376,980	\$2,376,980	\$1,210,346	50.9%
Resident Activity Fee	32,308	32,308	16,350	50.6%
Cancellation Fees	16,000	16,000	0	0.0%
Application Fees	25,600	25,600	0	0.0%
Fines & Penalties	0	0	0	100.0%
Miscellaneous Revenue	65,000	65,000	72,150	111.0%
Fund Balance - Activity Fees	25,000	25,000	0	0.0%
Total Funds Available	\$2,540,888	\$2,540,888	\$1,298,846	51.1%

<u>USES OF FUNDS</u>				
Operating Expenses	\$301,600	\$301,600	\$165,317	54.8%
Utilities	196,000	196,000	69,263	35.3%
Contract Services	103,000	103,000	27,250	26.5%
Reserves	337,440	337,440	0	0.0%
Resident Activities	52,308	52,308	5,722	10.9%
Contingency	40,000	40,000	25,739	64.3%
Debt Service Payments:				
Principal Payments	612,539	612,539	299,823	48.9%
Interest Expense on Debt	321,044	321,044	183,806	57.3%
SWAP	576,957	576,957	262,552	45.5%
Total Expenses	\$2,540,888	\$2,540,888	\$1,039,471	40.9%

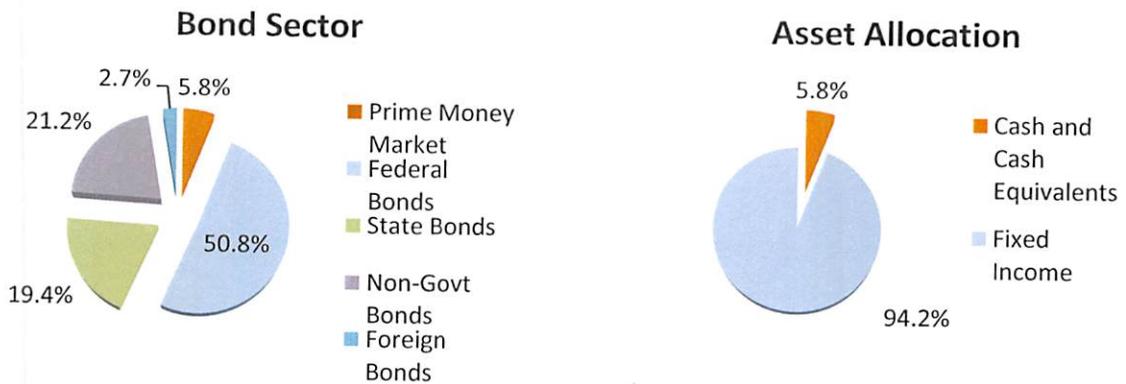
Florida SouthWestern State College Financing Corporation
Executive Investment Summary
Second Quarter Ending 9-30-2016

Investment Strategy

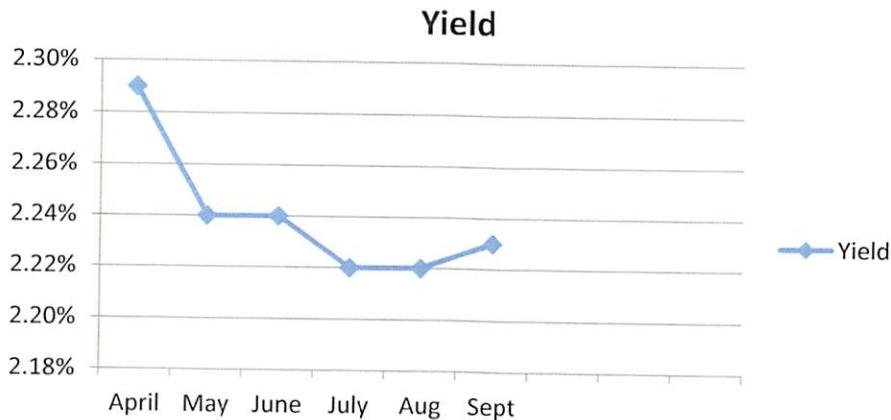
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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, 2016 the Financing Corporation Portfolio had a market value of \$6,494,479. Through the second quarter ended September 30, 2016 the Financing Corporation had recorded investment income of \$35,880.