

Agenda

**Florida SouthWestern State College Financing Corporation (the “Corporation”)
Thomas Edison (Lee) Campus – Lighthouse Commons W-421
January 17, 2017
3:30 p.m.**

I. Public Comment

II. Vote to Take Action On:

1. Approval of the October 18, 2016 minutes. Presenter: John Noland (Page 1)

III. Information Only

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

III. Discussion

1. Dorm refinance options. Presenter: Mark Lupe
2. Line of credit discussion. Presenter: Gina Doeble
3. Investment Policy. Presenter: Gina Doeble

Board Members’ Comments

President’s Comments

Adjournment

Minutes

Florida SouthWestern State College Financing Corporation
Charlotte Campus – President’s Community Room, J-123
October 18, 2016
4:05 p.m.

The Florida SouthWestern State College Financing Corporation met in Lee County, Florida, on October 18, 2016. John Noland, Chair called the meeting to order at 4:05p.m.

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

Absent: Randall Parrish, Jr., OD

Others Present: Mark Lupe, General Counsel
Kathleen Porter, DSO Finance
Susan Marcy, Director of Risk and Counsel
Valerie Miller, Recorder
Robert Jones, Collier Campus President

Public Comment: None

Vote to Take Action On:

Agenda Item #1- Approval of Minutes Regular Meeting July 19, 2016 - Presenter: John Noland

MOTION by Mr. Webb; to accept the minutes with added statement below, to the regular meeting on July 19, 2016; seconded by Mrs. Mann. Approved unanimously.

Mr. Lupe also noted that under Florida Statute Section 1004.70(4)(b) that the Florida SouthWestern State College Financing Corporation is required to comply with all the same requirements of law relating to the construction of college facilities that the College would be required to comply with as if it were constructing the facilities itself.

Information 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.

The Rate Swap at BB & T expires on December 17, 2017 and they are unable to do Rate Swaps any longer. Looking for other banks in the area that we could develop a relationship with and look into refinancing the bond with possibly better terms.

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

Dr. Doeble presented the Florida SouthWestern State College Financing Corporation 2nd Quarter Financial Statements and Investment Report for informational only.

Discussion:

Dr. Doeble reviewed the Financing Corporation's current investments and including the account type.

Dr. Doeble reported that money cannot be reallocated at this time, because the Financing Corporation will be transferring a large amount of money for the parking lot project.

Dr. Doeble discussed the option for the Financing Corporation to open a Line of Credit. There was discussion on how the board would do this and if there would be any penalty or fees if the Board does not draw any funds and how long is the draw period.

Dr. Doeble will have more detailed information about the investment of cash and the Line of Credit at the January 2017 meeting.

Board Member Comments:

- Mrs. Mann asked that she and the other Board members receive an e-mail or telephone call from the President when there is an adverse incident at the dorms. The board would only require minimal information, but then they would be apprised in advance of the situation being reported in the media.

President Allbritten's Comments:

- Pool is scheduled for a January 2017 opening.
 - Dr. Doeble will send pictures to the board on the pool progress.
-

- Dr. Allbritten went over the incident at the dorms and the procedure of the College to protect students.
- The arena should be opening in the next 6 weeks. This will be the first basketball game in 20 years.
- Students named the College mascot, Blackbeard the Buccaneer. The Mascot and its name will be introduced at the November 29th game.
- We should be seeing Pepsi trucks in town with the FSW advertising on them, as Pepsi has partnered with the College.
- We have a company interested in the property on Winkler owned by the Foundation. The President and a few others met with the company who would like to partner with the College to pay off property and the dorm. They would manage the dorms and the property would revert back to the College after 30 years. The College would need to gather more information before bringing it back to the Board at the January 2017 meeting.
- The College has come to a 3 year agreement with the Faculty Union on their salary contract.
- Dr. Jeff Stewart had been appointed the permanent position of Provost.
- A large donation will be announced in Charlotte in the next week or two about a donation that is being made in the College's name.

Adjournment – The meeting was adjourned at 5.32 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: 1/17/2017

1. Action Requested/Purpose:

**Florida SouthWestern State College Financing Corporation Interest Rate Swap Agreement
Market Valuation as of 12/31/16**

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)

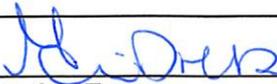
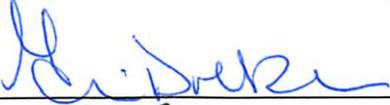
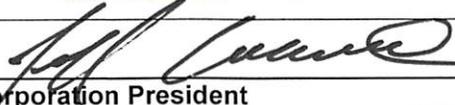
- Statute
- Administrative Code
- Other

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:	 _____ Corporation Treasurer
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)
10/31/2016	\$ 23,972,130.32	\$ (568,053.47)
11/30/2016	\$ 23,922,264.80	\$ (502,193.75)
12/30/2016	\$ 23,869,817.09	\$ (454,150.40)

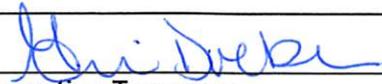
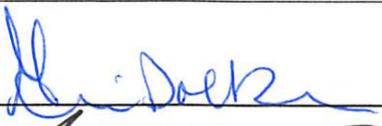
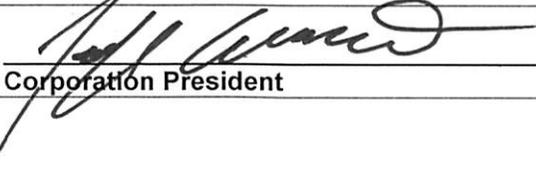
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION Agenda Item Summary	
Meeting Date: 1/17/2017	
1. Action Requested/Purpose: Florida SouthWestern State College Financing Corporation 3rd Quarter Financial Statements and Investment Report	
2. Fiscal Impact: <input type="checkbox"/> Yes <input type="checkbox"/> 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 THIRD QUARTER ENDED DECEMBER 31, 2016

	Financing Corp	Housing	Unexpended Plant Fund	Debt Services	Investment in Plant	Actual (Year to Date)
CURRENT ASSETS						
Cash & Cash Equivalents	761,716	1,622,554	375,958	-	-	2,760,228
Accounts Receivable	62,500	-	-	-	-	62,500
Receivable - FSW	-	-	-	-	-	-
Prepaid Expense	84,121	-	-	-	-	84,121
Due from Auxiliary	-	-	-	-	-	-
NONCURRENT ASSETS						
Investments	6,325,107	-	-	-	-	6,325,107
Restricted Cash & Cash Equivalents	-	-	-	1,771,286	-	1,771,286
Reserve for Uncollectible Accts	-	(106,862)	-	-	-	(106,862)
Construction in Progress	-	-	-	-	66,306	66,306
Capital Assets, Net	-	-	-	-	19,379,153	19,379,153
TOTAL ASSETS	7,233,444	1,515,692	375,958	1,771,286	19,445,460	30,341,840
CURRENT LIABILITIES						
Accrued Expense	10,000	25,000	-	-	-	35,000
Interest Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Due to Current Funds - Unrestricted	-	-	-	-	-	-
Bonds Payable - Current	-	-	-	-	158,265	158,265
NONCURRENT LIABILITIES						
Derivative Instrument - Interest Rate SWAP	-	53,003	-	-	-	53,003
Bonds Payable - Non-Current	-	-	-	-	23,350,632	23,350,632
TOTAL LIABILITIES	10,000	78,003	-	-	23,508,897	23,596,900
NET POSITION						
Net Position	7,223,444	1,437,689	375,958	1,771,286	(4,063,437)	6,744,939
TOTAL LIABILITIES & NET POSITION	7,233,444	1,515,692	375,958	1,771,286	19,445,460	30,341,840

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

	Financing Corp	Housing	Unexpended Plant	Debt Services	Investment in Plant	Total
REVENUE						
Contributions - FSW	233,910	-	-	-	-	233,910
Contributions - Collegiate High Schools	187,500	-	-	-	-	187,500
Housing Income	-	1,440,468	-	-	-	1,440,468
Misc Revenue	-	72,150	-	-	-	72,150
Interest	71,502	-	-	133	-	71,635
Gain/Loss on Investments	(49,086)	-	-	-	-	(49,086)
Transfer	-	-	675,000	277,046	454,274	1,406,320
Total Revenue	443,825	1,512,618	675,000	277,179	454,274	3,362,897
EXPENSES						
Operating Expenses	14,307	121,471	-	-	-	135,777
Utilities	-	115,445	-	-	-	115,445
Data & Other Communications Services	-	131,267	-	-	-	131,267
Insurance	38,846	-	-	-	-	38,846
Contract Services	32,570	77,250	-	-	-	109,820
Other Services & Expenses	23,500	26,361	-	-	-	49,861
Resident Activities	-	8,454	-	-	-	8,454
Reserves	-	-	-	-	-	-
Interest Expense	-	389,544	-	246,073	-	635,617
Depreciation Expense	-	-	-	-	376,302	376,302
Transfer	675,000	731,320	-	-	-	1,406,320
Total Expenses	784,223	1,601,111	-	246,073	376,302	3,007,710
CAPITAL EXPENSES						
Recreational Pool	-	-	331,736	-	-	331,736
Change in Net Position	(340,397)	(88,493)	343,264	31,106	77,972	23,451
Beginning Net Position	7,563,841	1,526,182	32,694	1,740,180	(4,141,409)	6,721,488
Ending Net Position	7,223,444	1,437,689	375,958	1,771,286	(4,063,437)	6,744,939

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

General Operating Budget

SOURCES OF FUNDS	Original Budget	Revised Budget	Actual (as of 12/31/16)	% of Revised Budget
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	22,415	29.9%
Fund Balance	673,520	673,520	0	0.0%
Total Funds Available	\$1,310,400	\$1,310,400	\$443,825	33.9%

USES OF FUNDS

Operating Expenses	\$30,000	\$30,000	\$14,307	47.7%
Insurance	105,000	105,000	38,846	37.0%
Contract Services	64,900	64,900	32,569	50.2%
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	\$784,223	56.6%

Housing Budget

SOURCES OF FUNDS	Original Budget	Revised Budget	Actual (as of 12/31/16)	% of Revised Budget
Rent Revenue	\$2,376,980	\$2,376,980	\$1,390,827	58.5%
Resident Activity Fee	32,308	32,308	17,919	55.5%
Cancellation Fees	16,000	16,000	7,677	48.0%
Application Fees	25,600	25,600	24,045	93.9%
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	\$1,512,618	59.5%

USES OF FUNDS

Operating Expenses	\$301,600	\$301,600	\$252,738	83.8%
Utilities	196,000	196,000	115,445	58.9%
Contract Services	103,000	103,000	77,250	75.0%
Reserves	337,440	337,440	0	0.0%
Resident Activities	52,308	52,308	8,454	16.2%
Contingency	40,000	40,000	26,361	65.9%
Debt Service Payments:				
Principal Payments	612,539	612,539	454,274	74.2%
Interest Expense on Debt	321,044	321,044	277,046	86.3%
SWAP	576,957	576,957	389,544	67.5%
Total Expenses	\$2,540,888	\$2,540,888	\$1,601,111	63.0%

Florida SouthWestern State College Financing Corporation

Executive Investment Summary

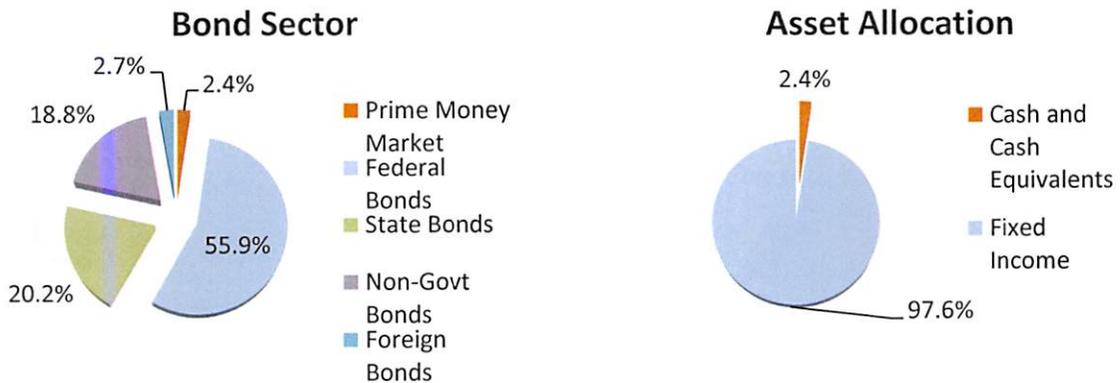
Second Quarter Ending 12-31-16

Investment Strategy

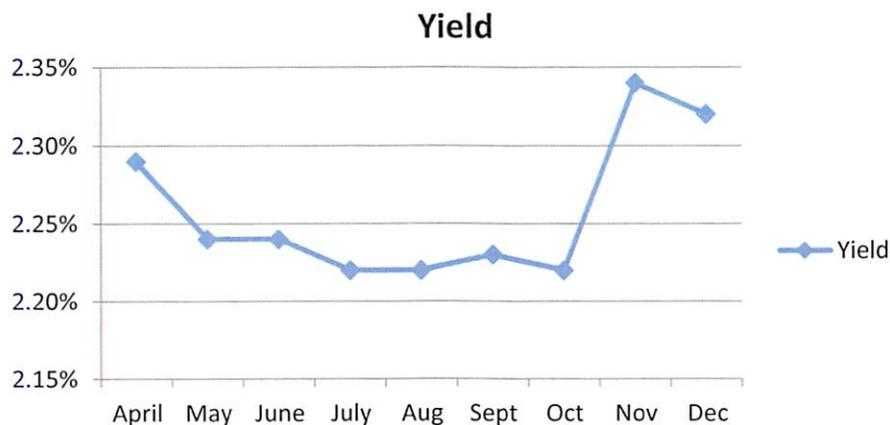
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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, 2016 the Financing Corporation Portfolio had a market value of \$6,478,831. Through the third quarter ended December 31, 2016 the Financing Corporation had recorded investment income of \$57,474.