

**Agenda**

**Florida SouthWestern State College Financing Corporation (the “Corporation”)  
Thomas Edison (Lee) Campus – President’s Community Room I-223  
May 22, 2017  
4:00 p.m.**

**I. Public Comment**

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

1. Approval of the March 28, 2017 minutes. Presenter: Eddie Webb (Page 1)
2. Proposals for refinancing the bonds for Lighthouse Commons. Presenter: Mark Lupe (Page 4)

**III. Information Only**

3. Florida SouthWestern State College Financing Corp. 4<sup>th</sup> Quarter, Financial Statement and Investment Report. Presenter: Kathleen Porter (Page 5)
4. Florida SouthWestern State College Financing Corp. Interest Rate Swap. Presenter: Kathleen Porter (Page 10)
5. Discussion of fees charged for Lighthouse Commons. Presenter: Gina Doeble
6. Report of Closure of the Line of Credit. Presenter: Gina Doeble

**Board Members’ Comments**

**President’s Comments**

**Adjournment**

**Minutes**

Florida SouthWestern State College Financing Corporation  
Thomas Edison (Lee) Campus – President Community Room I-223  
March 28, 2017  
4:00 PM

The Florida SouthWestern State College Financing Corporation met in Lee County, Florida, on March 28, 2017. John Noland, Chair called the meeting to order at 4:10 p.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  
Randall Parrish, Jr., OD

**Absent:** None

**Others Present:** Mark Lupe, General Counsel  
Kathleen Porter, DSO Finance  
Susan Marcy, Director of Risk and Counsel  
Valerie Miller, Recorder

**Public Comment:** None

**Amend Agenda:** Mr. Lupe asked that the agenda be amended to add the proposal received from TD Bank that was received at 5 pm on March 27, 2017.

**Vote to Take Action On:**

**Agenda Item #1- Approval of Minutes Regular Meeting January 17, 2017 - Presenter: John Noland**

MOTION by Mr. Hall; to accept the minutes, to the regular meeting on January 17, 2017, seconded by Mrs. Mann. Approved unanimously.

**Agenda Item #2 – Approval of General Operating Budget and Housing Budget for Fiscal Year 2017-2018.**

MOTION by Mr. Hall; to accept the General Operating Budget and Housing Budget for Fiscal Year 2017-2018, seconded by Mrs. Mann. Approved unanimously.

**Agenda Item #3 – Approval the write-off accounts deemed to uncollectable.**

MOTION by Dr. Parrish; to accept the write-off accounts deemed uncollectable, seconded by Mr. Webb. Approved unanimously.

**Agenda Item #4 – Approval of the Personal Services Agreement with Florida SouthWestern State College for Financial, Accounting and Legal Services.**

MOTION by Mr. Hall; to accept the Personal Services Agreement with Florida SouthWestern State College for Financial, Accounting, and Legal Services, seconded by Mr. Webb. Approved unanimously.

**Agenda Item #5 – Approval of the Personal Services Agreement with Florida SouthWestern State College for Public Safety Technician Services, Maintenance, Technical Services, and Student Life and Programing Services.**

MOTION by Dr. Parrish; to accept the Personal Services Agreement with Florida SouthWestern State College for Public Safety Technician Services, Maintenance, Technical Services, and Student Life and Programing Services, seconded by Mr. Webb. Approved unanimously.

**Agenda Item #6 – Election of Chair of the Financing Corporation.**

Mr. Noland asked for nominations for the Chair. Dr. Allbritten nominated Sankey “Eddie” Webb, III, Mr. Noland asked for any additional nominations, none were received; Sankey “Eddie” Webb, III elected to Chair.

**Agenda Item #7 – Election of Vice - Chair of the Financing Corporation.**

Mr. Noland asked for nominations for the Vice - Chair. Dr. Allbritten nominated David Hall, Mr. Noland asked for any additional nominations, none were received; David Hall elected to Vice - Chair.

**Agenda Item #8 – Approval of Meeting Dates and Times for Fiscal Year 2017-2018.**

MOTION by Mrs. Mann to accept the new meeting dates and times for Fiscal Year 2017-2018, seconded by Dr. Parrish. Approved unanimously.

**Agenda Item #9 – Approval to Cancel the Line of Credit.**

MOTION by Mr. Webb to close the line of credit, seconded by Mr. Hall. Approved unanimously.

**Information Only:**

**Dorm Refinance Options**

Mr. Lupe presented an Expression of Interest that was received from TD Bank on the dorm refinance. The board has requested a comparison sheet be brought to the next meeting, comparing BB&T and TD Banks proposals. Also, to go back to BB&T and see if they can possibly do better on the interest rate previously quoted.

**Board Member Comments:**

- Mrs. Mann want to congratulate Dr. Allbritten on the News-Press article from March 24, 2017 about the 55 year anniversary of the College and the many things we have accomplished in that time and for including the Barbara B. Mann Hall as one of those accomplishments.

**President Allbritten’s Comments:**

- The Dedicate to Graduate Campaign that was launched in the Fall. This imitative is for all employees to focus on getting students graduated with a degree. Will be talking about this at the Chancellors Summit in Tallahassee.
- Funding going to performance based.
- Haven’t raised tuition in five years.
- In March had the opportunity to attend a conversation on how Colleges and Universities support their Direct Support Organizations with the Appropriation Committee in Tallahassee.
- Attended the Men’s and Woman’s region eight basketball games in Ocala; was very exciting.
- Woman’s softball looks like they will be in Utah for again for the National Tournament and are ranked number 2 in the nation.
- Proud to announce that we have five students who will be attending the Florida All-Academic Team in Tallahassee and one of our students was selected as the student for the State of Florida and will represent us at the All-American Team Conference.

**Adjournment** – The meeting was adjourned at 5:23 p.m.

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Dr. Jeffery S. Allbritten  
Corporate President  
Board of Directors

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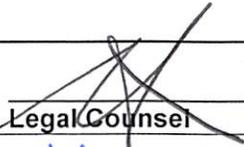
Mark Lupe, Secretary  
Board of Directors

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Date

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Date

<b>FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION</b> <b>Agenda Item Summary</b>	
Meeting Date:	
<p><b>1. Action Requested/Purpose:</b></p> <p>Discussion of two proposals to refinance of Lighthouse Commons and vote by the Board to select a proposer for further negotiations.</p>	
<p><b>2. Fiscal Impact</b>    <input type="checkbox"/> Yes    <input type="checkbox"/> No    <input checked="" type="checkbox"/> N/A (none at this time)</p>	
<p><b>3. Funding Source:</b>    Amount: \$ (not applicable at this time)</p>	
<p><b>4. Administration Recommendation:</b></p> <p>Request that the Board, by motion, select a single proposer for further negotiations and a status report back at the July 18, 2017 meeting.</p>	
<p><b>5. Agenda Item Type:</b></p> <p><input checked="" type="checkbox"/> Action Item  <input type="checkbox"/> Consent Agenda  <input type="checkbox"/> Information Only  <input type="checkbox"/> Board Requested Information/Report</p>	<p><b>6. Requirement/Purpose (Include Citation)</b></p> <p><input type="checkbox"/> Statute  <input type="checkbox"/> Administrative Code  <input type="checkbox"/> Other</p>
<p><b>7. Background Information:</b></p> <p>Administration has been working to collect information from the two interested financial institutions concerning proposals to refinance of lighthouse Commons. That information has been collected and incorporated into a Board handout along with the underlying proposals. At this point the next step in the process is to choose one lender for further negotiations.</p>	
<b>Requested By</b>	<div style="text-align: center;">   <hr/>                     Legal Counsel                 </div>
<b>Funding Verified</b>	<div style="text-align: center;">   <hr/> </div>
<b>Approved For Agenda</b>	<div style="text-align: center;">   <hr/>                     Corporation President                 </div>

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

Meeting Date: 5/22/2017

1. **Title:** Florida SouthWestern State College Financing Corp 4<sup>th</sup> Qrt. Financial Statements and Investment Report
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

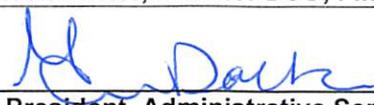
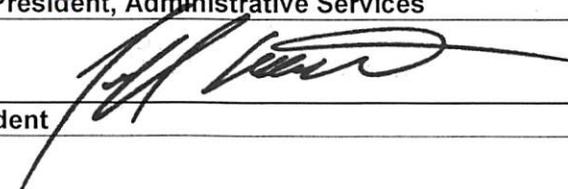
**8. Background Information:**

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.

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.

<b>Requested by:</b>	 Kathleen Porter, Director DSO, Finance
<b>Funding Verified by:</b>	 Vice President, Administrative Services
<b>Approved for Agenda by:</b>	 President

**TABLE 1**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**STATEMENT OF NET POSITION**  
**FOR FOURTH QUARTER ENDED MARCH 31, 2017**

	Financing Corp	Housing	Unexpended Plant Fund	Debt Services	Investment in Plant	Actual (Year to Date)
<b>CURRENT ASSETS</b>						
Cash & Cash Equivalents	\$ 362,219	\$ 2,235,924	\$ 169,040	\$ -	\$ -	\$ 2,767,182
Accounts Receivable	-	-	-	-	-	-
Receivable - FSW	-	290,068	-	-	-	290,068
Prepaid Expense	34,548	1,265	-	-	-	35,813
<b>NONCURRENT ASSETS</b>						
Investments	5,577,245	-	-	-	-	5,577,245
Restricted Cash & Cash Equivalents	-	-	-	1,771,330	-	1,771,330
Reserve for Uncollectible Accts	-	(69,537)	-	-	-	(69,537)
Construction in Progress	-	-	-	-	682,568	682,568
Capital Assets, Net	-	-	-	-	19,191,003	19,191,003
<b>TOTAL ASSETS</b>	<b>\$ 5,974,012</b>	<b>\$ 2,457,719</b>	<b>\$ 169,040</b>	<b>\$ 1,771,330</b>	<b>\$ 19,873,571</b>	<b>\$ 30,245,671</b>
<b>CURRENT LIABILITIES</b>						
Accrued Expense	\$ 10,061	\$ 47,480	\$ 39,607	\$ -	\$ -	\$ 97,149
Interest Payable	-	-	-	34,866	-	34,866
Deferred Revenue	-	315,357	-	-	-	315,357
Bonds Payable - Current	-	-	-	-	23,350,633	23,350,633
<b>NONCURRENT LIABILITIES</b>						
Derivative Instrument - Interest Rate SWAP	-	57,881	-	-	-	57,881
Bonds Payable - Non-Current	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 10,061</b>	<b>\$ 420,718</b>	<b>\$ 39,607</b>	<b>\$ 34,866</b>	<b>\$ 23,350,633</b>	<b>\$ 23,855,884</b>
<b>NET POSITION</b>	<b>5,963,951</b>	<b>2,037,001</b>	<b>745,694</b>	<b>1,736,464</b>	<b>(4,093,323)</b>	<b>6,389,787</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 5,974,012</b>	<b>\$ 2,457,719</b>	<b>\$ 785,301</b>	<b>\$ 1,771,330</b>	<b>\$ 19,257,309</b>	<b>\$ 30,245,671</b>

**TABLE 2**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**FOR FOURTH QUARTER ENDED MARCH 31, 2017**

	Financing Corp	Housing	Unexpended Plant	Debt Services	Investment in Plant	Total
<b>REVENUE</b>						
Contributions - FSW	\$ 311,880	\$ -	\$ -	\$ -	\$ -	\$ 311,880
Contributions - Collegiate High Schools	250,000	-	-	-	-	250,000
Housing Income	-	2,657,030	-	-	-	2,657,030
Misc Revenue	-	72,150	-	-	-	72,150
Interest	103,006	-	-	177	-	103,183
Gain/Loss on Investments	(61,471)	(4,878)	-	-	-	(66,349)
Transfer	-	-	713,000	376,350	612,539	1,701,889
<b>Total Revenue</b>	<b>\$ 603,416</b>	<b>\$ 2,724,303</b>	<b>\$ 713,000</b>	<b>\$ 376,527</b>	<b>\$ 612,539</b>	<b>\$ 5,029,784</b>
<b>EXPENSES</b>						
Operating Expenses	\$ 19,046	\$ 167,241	\$ -	\$ -	\$ -	\$ 186,287
Utilities	-	179,704	-	-	-	179,704
Data & Other Communications Services	-	197,784	-	-	-	197,784
Insurance	105,128	-	-	-	-	105,128
Contract Services	42,631	102,250	-	-	-	144,881
Other Services & Expenses	23,500	29,689	-	-	-	53,189
Resident Activities	-	43,817	-	-	-	43,817
Other Expense	1,300,000	-	-	-	-	1,300,000
Interest Expense	-	504,108	-	380,244	-	884,352
Depreciation Expense	-	-	-	-	564,453	564,453
Transfer	713,000	988,889	-	-	-	1,701,889
<b>Total Expenses</b>	<b>\$ 2,203,305</b>	<b>\$ 2,213,483</b>	<b>\$ -</b>	<b>\$ 380,244</b>	<b>\$ 564,453</b>	<b>\$ 5,361,485</b>
<b>CAPITAL EXPENSES</b>						
Recreational Pool						-
Change in Net Position	(1,599,890)	510,820	713,000	(3,716)	48,085	(331,701)
Beginning Net Position	7,563,841	1,526,182	32,694	1,740,180	(4,141,409)	6,721,488
Ending Net Position	<b>\$ 5,963,951</b>	<b>\$ 2,037,001</b>	<b>\$ 745,694</b>	<b>\$ 1,736,464</b>	<b>\$ (4,093,323)</b>	<b>\$ 6,389,787</b>

**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**

	Original Budget	Revised Budget	Actual (as of 3/31/17)	% of Revised Budget
<b>SOURCES OF FUNDS</b>				
Bandwidth Lease Revenue	\$311,880	\$311,880	\$311,880	100.0%
High School Lease Revenue	250,000	250,000	250,000	100.0%
Investment Income	75,000	75,000	41,536	55.4%
Fund Balance	673,520	786,520		0.0%
<b>Total Funds Available</b>	<b>\$1,310,400</b>	<b>\$1,423,400</b>	<b>\$603,416</b>	<b>42.4%</b>
<b>USES OF FUNDS</b>				
Operating Expenses	\$30,000	\$30,000	\$19,046	63.5%
Insurance	105,000	105,000	105,128	100.1%
Contract Services	64,900	64,900	42,631	65.7%
Other Expenses	450,000	450,000	1,323,500	294.1%
Interest on Debt	10,500	10,500	0	0.0%
Contingency	50,000	50,000	0	0.0%
Transfer	600,000	713,000	713,000	100.0%
<b>Total Expenses</b>	<b>\$1,310,400</b>	<b>\$1,423,400</b>	<b>\$2,203,305</b>	<b>154.8%</b>

**Housing Budget**

	Original Budget	Revised Budget	Actual (as of 3/31/17)	% of Revised Budget
<b>SOURCES OF FUNDS</b>				
Rent Revenue	\$2,376,980	\$2,376,980	\$2,526,243	106.3%
Resident Activity Fee	32,308	32,308	34,560	107.0%
Collection Fees/Fortitures	16,000	16,000	33,232	207.7%
Application Fees	25,600	25,600	46,100	180.1%
Fines & Penalties	0	0	16,896	100.0%
Miscellaneous Revenue	65,000	65,000	72,150	111.0%
Gain/Loss - SWAP Adjustment	0	0	-4,878	-100.0%
Fund Balance - Activity Fees	25,000	25,000	0	0.0%
<b>Total Funds Available</b>	<b>\$2,540,888</b>	<b>\$2,540,888</b>	<b>\$2,724,303</b>	<b>107.2%</b>
<b>USES OF FUNDS</b>				
Operating Expenses	\$301,600	\$301,600	\$394,714	130.9%
Utilities	196,000	196,000	179,704	91.7%
Contract Services	103,000	103,000	102,250	99.3%
Reserves	337,440	337,440	122,461	36.3%
Resident Activities	52,308	52,308	43,817	83.8%
Contingency	40,000	40,000	40,000	100.0%
Debt Service Payments:				
Principal Payments	612,539	612,539	612,539	100.0%
Interest Expense on Debt	321,044	321,044	376,350	117.2%
SWAP	576,957	576,957	504,108	87.4%
<b>Total Expenses</b>	<b>\$2,540,888</b>	<b>\$2,540,888</b>	<b>\$2,375,942</b>	<b>93.5%</b>

**Florida SouthWestern State College Financing Corporation**

**Executive Investment Summary**

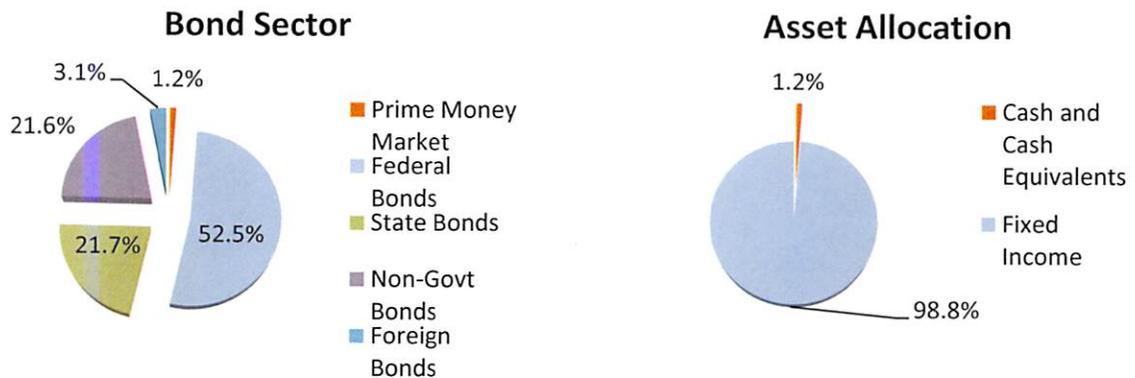
**Fourth Quarter Ending 3-31-17**

**Investment Strategy**

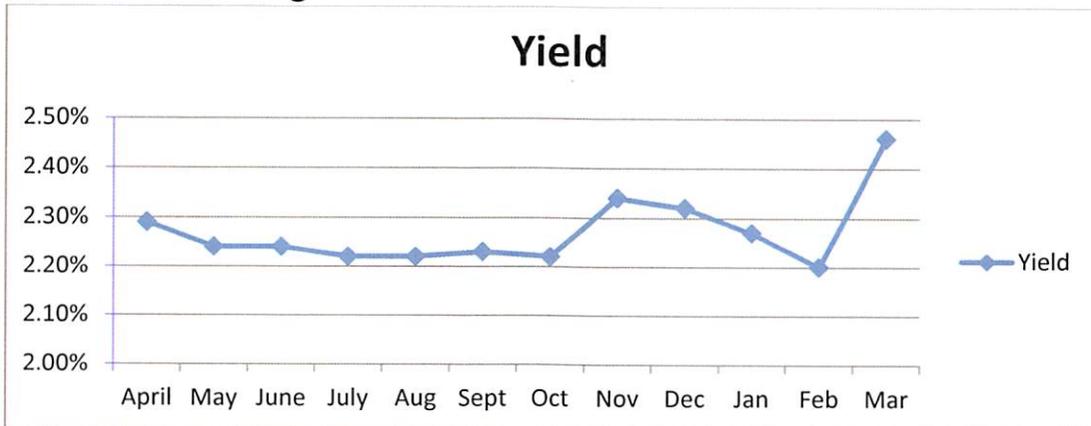
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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 March 31, 2017 the Financing Corporation portfolio had a market value of \$5,643,332. Through the fourth quarter ended March 31, 2017 the Financing Corporation had recorded investment income of \$84,359.

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

Meeting Date: 5/22/2017

1. **Title:** Florida SouthWestern State College Financing Corp Interest Rate Swap Agreement Market Valuation as of 3/31/17
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:**

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

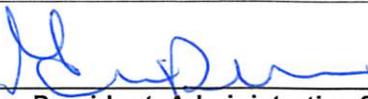
The market valuation is for information purposes only.

Attachment

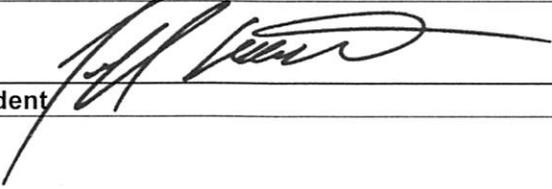
**Requested by:**

  
\_\_\_\_\_  
Kathleen Porter, Director DSO, Finance

**Funding Verified by:**

  
\_\_\_\_\_  
Vice President, Administrative Services

**Approved for Agenda by:**

  
\_\_\_\_\_  
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)
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)
1/31/2017	\$ 23,819,629.98	\$ (411,464.73)
2/8/2017	\$ 23,769,285.14	\$ (366,547.56)
3/31/2017	\$ 23,711,552.24	\$ (320,906.64)