

Florida SouthWestern State College District Board of Trustees Agenda Item Summary

Meeting Date: 8/26/2014

1. Action Requested/Purpose: Florida SouthWestern State College Financing Corporation First Quarter Financial Statements and Investment Report

2. Fiscal Impact: ☐ Yes ☐ No ☒ N/A

3. Funding Source: Amount: \$

4. Administration Recommendation: Information Purposes Only

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:

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.

Requested By:


Vice President, Administrative Services

Funding Verified by:


Vice President, Administrative Services

Approved For Agenda by:


President

TABLE 1
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
STATEMENT OF NET POSITION
FOR FIRST QUARTER ENDED JUNE 30, 2014

						Quarter Ending 6/30/2014
	Financing Corp	Housing	Unexpended Plant Fund	Debt Services	Investment in Plant	Actual (Year to Date)
CURRENT ASSETS						
Cash & Cash Equivalents	1,242,177	733,594	0			1,975,771
Accounts Receivable	-	-	-	-	-	-
Receivable - FSW	1,832	404,692	-	-	-	406,524
Due from Auxiliary	400,000	-	-	-	-	400,000
	-	-	-	-	-	-
NONCURRENT ASSETS						
Investments	5,455,712	-	-	-	-	5,455,712
Restricted Cash & Cash Equivalents	-	-	-	1,770,828	-	1,770,828
Reserve for Uncollectible Accts	-	(137,977)	-	-	-	(137,977)
Capital Assets, Net	-	-	-	-	20,796,398	20,796,398
TOTAL ASSETS	7,099,721	1,000,309	0	1,770,828	20,796,398	30,667,256
CURRENT LIABILITIES						
Accrued Expense	10,133	25,234	-	-	-	35,367
Due to Current Funds - Unrestricted	-	400,000	-	-	-	400,000
Bonds Payable - Current	-	-	430,608	-	-	430,608
	-	-	-	-	-	-
NONCURRENT LIABILITIES						
Derivative Instrument - Interest Rate SWAP	-	21,691	-	-	-	21,691
Bonds Payable - Non-Current	-	-	24,552,718	-	-	24,552,718
TOTAL LIABILITIES	10,133	446,925	24,983,326	-	-	25,440,384
FUND BALANCE						
Fund Balance	7,089,588	553,384	(24,983,326)	1,770,828	20,796,398	5,226,872
TOTAL LIABILITIES & FUND BALANCE	7,099,721	1,000,309	(0)	1,770,828	20,796,398	30,667,256
TRANSFERS	-	222,193	-	(222,193)	-	-
TOTAL LIABILITIES, FUND BALANCE & TRANSFERS	7,099,721	1,222,502	(0)	1,548,635	20,796,398	30,667,256

TABLE 2
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR FIRST QUARTER ENDED JUNE 30, 2014

	Financing Corp	Housing	Unexpended Plant Fund	Debt Services	Investment in Plant	Total
REVENUE						
Contributions - FSW	77,970	-	-	-	-	77,970
Contributions - Collegiate High Schools	50,000	-	-	-	-	50,000
Housing Income	-	513,254	-	-	-	513,254
Interest	38,950	-	-	30	-	38,980
Gain/Loss on Investments	(11,822)	-	-	-	-	(11,822)
Total Revenue	155,098	513,254	-	30	-	668,382
EXPENSES						
Operating Expenses	11,218	350	-	-	-	11,568
Utilities	-	30,051	-	-	-	30,051
Data & Other Communications Services	-	31,338	-	-	-	31,338
Insurance	60,607	-	-	-	-	60,607
Contract Services	28,317	25,000	-	-	-	53,317
Other Services & Expenses	-	-	-	-	-	-
Resident Activities	-	4,813	-	-	-	4,813
Interest Expense	-	151,108	55,525	-	-	206,633
Depreciation Expense	-	-	-	-	95,298	95,298
Amortization Expense	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	(3,634)	(3,634)
Total Expenses	100,142	242,660	55,525	-	91,664	489,990
TRANSFERS	-	222,193	(222,193)	-	-	-
Change in Net Position	54,956	48,401	166,668	30	(91,664)	178,392
Beginning Net Position	7,034,632	504,983	(25,149,994)	1,770,799	20,888,062	5,048,480
Ending Net Position	7,089,588	553,384	(24,983,326)	1,770,829	20,796,398	5,226,872

TABLE 3
FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET
for Fiscal Year Ending March 31, 2015

General Operating Budget

	Original Budget	Revised Budget	Actual (as of 6/30/14)	Variance from Revised Budget	% of Revised Budget
<u>SOURCES OF FUNDS</u>					
Bandwidth Lease Revenue	\$311,880	\$311,880	\$77,970	\$233,910	25.0%
High School Lease Revenue	250,000	250,000	50,000	200,000	20.0%
Investment Income	75,000	75,000	27,128	47,872	36.2%
Total Funds Available	\$636,880	\$636,880	\$155,098	\$481,782	24.4%

USES OF FUNDS

Operating Expenses	\$70,000	\$70,000	\$11,218	\$58,782	16.0%
Insurance	200,000	200,000	60,607	139,393	30.3%
Contract Services	83,200	83,200	28,317	54,883	34.0%
Total Expenses	\$353,200	\$353,200	\$100,142	\$253,059	28.4%

Housing Budget

	Original Budget	Revised Budget	Actual (as of 6/30/14)	Variance from Revised Budget	% of Revised Budget
<u>SOURCES OF FUNDS</u>					
Rent Revenue	\$2,064,402	\$2,064,402	\$513,254	(\$1,551,148)	24.9%
Resident Activity Fee	\$21,060	\$21,060	0	(21,060)	0.0%
Application Fees	51,200	51,200	0	(51,200)	0.0%
Fines & Penalties	0	0	0	0	100.0%
Interest Income	0	0	30	30	100.0%
Total Funds Available	\$2,136,662	\$2,136,662	\$513,284	(\$1,623,378)	24.0%

USES OF FUNDS

Operating Expenses	\$244,272	\$244,272	\$31,688	\$212,584	13.0%
Utilities	\$208,000	\$208,000	\$30,051	177,949	14.4%
Contract Services	\$100,000	\$100,000	\$25,000	75,000	25.0%
Reserves	60,795	60,795	0	60,795	0.0%
Resident Activities	21,060	21,060	4,813	16,247	22.9%
Interest Expense	326,705	326,705	206,633	120,072	63.2%
Debt Service Payments	1,175,830	1,175,830	222,193	953,637	18.9%
Total Expenses	\$2,136,662	\$2,136,662	\$520,378	\$1,616,284	24.4%

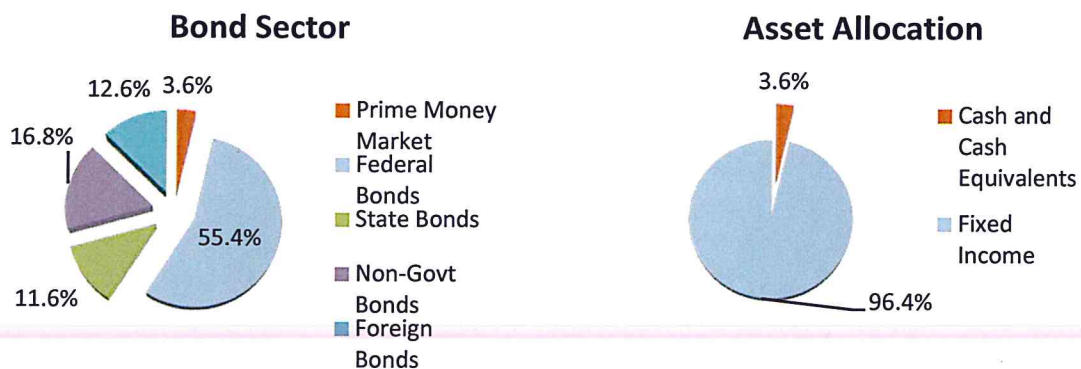
Florida SouthWestern State College Financing Corporation
Executive Investment Summary
First Quarter Ending 6-30-2014

Investment Strategy

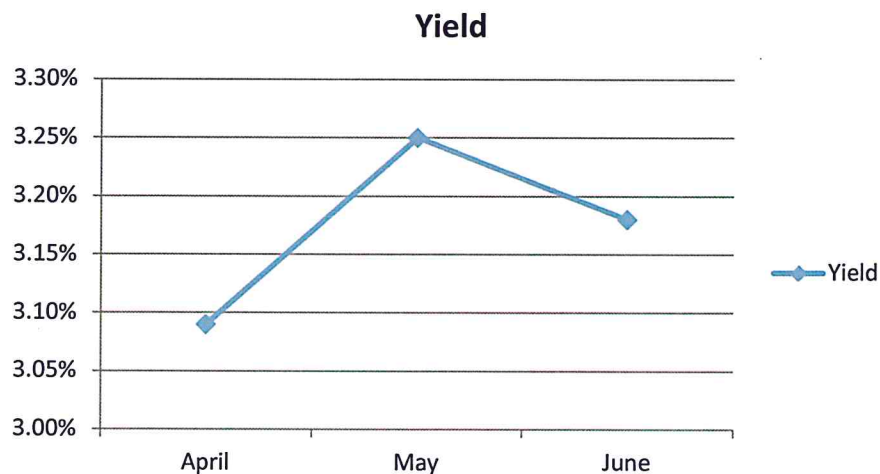
Investments will be limited to U.S. Treasuries, Government agency debt (including Agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitations:

- 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 June 30, 2014, the Financing Corporation Portfolio had a market value of \$5,655,621. Through the first quarter ended June 30, 2014 the Financing Corporation had recorded investment income of \$23,221.