

## Florida SouthWestern State College District Board of Trustees Agenda Item Summary

Meeting Date: 9/22/2015

**1. Action Requested/Purpose:** Florida SouthWestern State College Foundation, Inc. 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:**

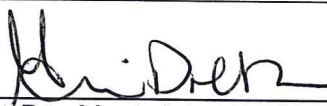
The FY2015-2016 first quarter financial statements are presented for information only. The Statement of Financial Position shows total assets of \$54,247,774 as of June 30, 2015. As a comparison, the assets at June 30, 2014 were \$50,513,238.

The investment report is for informational purposes only and requires no action by the Board. This 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:**

  
\_\_\_\_\_  
Sr. Director: Administration & Development

**Funding Verified by:**

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

**Approved For Agenda by:**

  
\_\_\_\_\_  
President

Table 1

**FLORIDA SOUTHWESTERN STATE COLLEGE FOUNDATION, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2015**

	Unrestricted	Temp. Restricted	Perm. Restricted	Quarter Ending 6/30/2015 Actual (Year to Date)	6/30/2014 Actual (Year to Date)	Increase/(Decrease) from Prior Year
<b>ASSETS</b>						%
Cash in Banks	258,940	17,500	-	276,440	199,324	39%
Promises To Give	16,400	5,398,000	-	5,414,400	104,100	5101%
Unamortized Discount	-	(27,739)	-	(27,739)	-	-100%
Investment Management Accounts	3,223,459	22,454,711	18,932,471	44,610,641	46,070,373	-3%
Investment Held in Trust:						
Gift Annuities	9,793	440,716	-	450,510	563,682	-20%
Real Estate: Rush	2,300,000	-	-	2,300,000	2,300,000	0%
CRAT	-	-	-	-	11,368	-100%
Investments Other:						
CSV of Policies	18,316	-	-	18,316	17,856	3%
Real Estate - Winkler	-	1,200,000	-	1,200,000	1,244,738	-4%
Gifts In-Kind	-	-	-	-	-	-
Deposit/Prepaid Expense	5,205	-	-	5,205	1,797	190%
<b>TOTAL ASSETS</b>	<b>5,832,114</b>	<b>29,483,189</b>	<b>18,932,471</b>	<b>54,247,774</b>	<b>50,513,238</b>	<b>7%</b>
<b>LIABILITIES</b>						
Deferred Revenue	-	-	-	-	-	-
Accrued Expense	91,629	80,811	-	172,439	101,966	69%
Funds Held in Trust	2,309,794	440,716	-	2,750,510	2,875,051	-4%
Loan Note - Real Estate	-	1,100,000	-	1,100,000	1,100,000	0%
Due To/From	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>2,401,422</b>	<b>1,621,527</b>	<b>-</b>	<b>4,022,949</b>	<b>4,077,017</b>	<b>-1%</b>
<b>FUND BALANCE</b>						
Total Fund Balance	3,430,691	27,861,662	18,932,471	50,224,825	46,436,221	8%
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>5,832,114</b>	<b>29,483,189</b>	<b>18,932,471</b>	<b>54,247,774</b>	<b>50,513,238</b>	<b>7%</b>

**Table 2**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FOUNDATION, INC.**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET POSITION**  
**Three Months Ended June 30, 2015**

	Unrestricted	Temp. Restricted	Perm. Restricted	Total
<b>REVENUE &amp; SUPPORT</b>				
Operating Revenue				
Temporarily Restricted Endowment - Draw	192,412			192,412
Unrestricted Restricted Endowment - Draw	14,218			14,218
Endowed Scholarship Funds		1,218	64,046	65,264
Endowed Program Support Funds	4,455	296,150	7,063	307,668
Non-Endowed Program Support Gifts	21,984			21,984
Event Revenue	290			290
Annual Fund Gifts	1,907	-	-	1,907
Annually Funded Scholarships	38,335	-	-	38,335
Misc Grants	5,000	-	-	5,000
Alumni Revenue	-	-	-	-
Scholarship Support	-	-	-	-
Gifts-In-Kind	116,779		-	116,779
Total Gifts	395,380	297,368	71,109	763,856
<b>TRANSFERS</b>				
Interfund Transfers		20,000	43,679	63,679
Total Transfers	-	20,000	43,679	63,679
<b>INVESTMENT INCOME</b>				
Investment Interest	5,999	78,401		84,401
Market Unrealized Gain (Loss)	(27,434)	(343,444)	-	(370,878)
Market Realized Gain (Loss)	20,675	266,985	-	287,661
Land Investment (Loss)	-	(7,448)	-	(7,448)
Total Investment Income	(760)	(5,506)	-	(6,265)
<b>Total Revenue &amp; Transfers</b>	<b>394,619</b>	<b>311,863</b>	<b>114,788</b>	<b>821,272</b>
<b>EXPENSES</b>				
Travel	1,600	-	-	1,600
Operating Expenses	9,221	-	-	9,221
Audit Services	20,000	-	-	20,000
Software Expenses	14,779	-	-	14,779
Rentals	6,899	-	-	6,899
Insurance	5,364	-	-	5,364
Contract Services				
Reimbursement to the College for Staff Expenses	85,782	-	-	85,782
Other Services	7,332	-	-	7,332
Bank Fees & SEI Fees	4,472	40,722	-	45,194
Scholarships	62,250	3,150	-	65,400
Academic Program Support	10,524	41,694	-	52,218
Food & Food Products	15,824	-	-	15,824
Other Expenses	3,258	-	-	3,258
In-Kind Donation Expense	116,779	-	-	116,779
Total Expenses	364,085	85,566	-	449,651
<b>TRANSFERS</b>				
Interfund Transfer	34,218	236,092	-	270,309
Total Transfers	34,218	236,092	-	270,309
<b>Total Expenses &amp; Transfers</b>	<b>398,302</b>	<b>321,658</b>	<b>-</b>	<b>719,960</b>
<b>Change in Net Position</b>	<b>(3,683)</b>	<b>(9,795)</b>	<b>114,788</b>	<b>101,310</b>
Beginning Net Position	3,434,374	27,871,457	18,817,683	50,123,515
Ending Net Position	3,430,691	27,861,662	18,932,471	50,224,825

**Table 3**  
**FLORIDA SOUTHWESTERN STATE COLLEGE FOUNDATION, INC.**  
**COMPARISON OF CURRENT YEAR ACTUAL TO CURRENT YEAR BUDGET**  
**for Fiscal Year Ending March 31, 2016**

**Unrestricted Budget**

<b>SOURCES OF FUNDS</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual as of 6/30/15</b>	<b>Balance 6/30/15</b>	<b>% of Revised Budget</b>
Operating Revenue					
Temporarily Restricted Endowment - Draw	769,649	769,649	192,412	577,237	25%
Unrestricted Endowment - Draw	56,870	56,870	14,218	42,652	25%
Endowed Scholarship Funds	97,800	97,800	-	97,800	0%
Endowed Program Support Funds	15,000	15,000	4,455	10,545	30%
Non-Endowed Program Support Gifts	35,000	35,000	21,984	13,016	63%
Event Revenue	126,000	126,000	290	125,710	0%
Annual Fund Gifts	50,000	50,000	1,907	48,093	4%
Annually Funded Scholarships	160,000	160,000	38,335	121,665	24%
Misc Grants	15,000	15,000	5,000	10,000	33%
In-Kind Donation	-	-	116,779	(116,779)	
Fund Balance	17,034	17,034	-	17,034	0%
<b>TOTAL FUNDS AVAILABLE</b>	<b>1,342,353</b>	<b>1,342,353</b>	<b>395,380</b>	<b>946,973</b>	<b>29%</b>
<b>USES OF FUNDS</b>					
<b>Current Expenses</b>					
Travel	14,500	14,600	1,600	13,000	11%
Operating Expenses	55,100	55,000	16,703	38,297	30%
Scholarships	257,800	257,800	62,250	195,550	24%
Academic Program Support	50,000	50,000	10,524	39,476	21%
Food and Food Products	128,500	128,500	15,824	112,676	12%
Rental - Facilities & Equipment	56,000	55,750	6,899	48,851	12%
Insurance	8,000	8,000	5,364	2,636	67%
Contract Services				-	
Staff Reimbursement to the College	503,453	503,453	68,715	434,738	14%
Accounting and Audit Fees	86,000	86,000	37,067	48,933	43%
Other Services	110,500	110,500	19,102	91,398	17%
Other Expenses	72,500	72,750	3,258	69,492	4%
In-Kind Donation Expense	-	-	116,779	(116,779)	
<b>Total Current Expenses</b>	<b>1,342,353</b>	<b>1,342,353</b>	<b>364,085</b>	<b>978,268</b>	<b>27%</b>

**Restricted Budget**

<b>SOURCES OF FUNDS</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual as of 6/30/15</b>	<b>Balance 6/30/15</b>	<b>% of Revised Budget</b>
Temporarily Restricted Scholarship	342,535	342,535	3,150	339,385	1%
Temporarily Restricted Non-Endowed Funds	48,000	89,667	49,142	40,525	55%
Permanently Restricted Scholarships	797,375	797,375	-	797,375	0%
Permanently Restricted Academic Funds	249,825	249,825	-	249,825	0%
Transfer: Temporarily Restricted Draw	769,649	769,649	192,412	577,237	25%
Investment Revenue for SEI Fees	139,000	139,000	40,722	98,278	29%
<b>TOTAL FUNDS AVAILABLE</b>	<b>2,346,384</b>	<b>2,388,051</b>	<b>285,426</b>	<b>2,102,625</b>	<b>12%</b>
<b>USES OF FUNDS</b>					
<b>Current Expenses</b>					
Scholarships	1,139,910	1,139,910	3,150	1,136,760	0%
Program Support:				-	
School of Health Professions	27,150	27,150	-	27,150	0%
School of Arts, Humanities, & Social Sciences	59,725	59,725	-	59,725	0%
School of Business & Technology	25,250	25,250	-	25,250	0%
School of Education	31,000	31,000	-	31,000	0%
School of Pure & Applied Sciences	8,500	8,500	-	8,500	0%
Barbara B. Mann Performing Arts Hall	33,400	33,400	-	33,400	0%
Rauschenberg Gallery	28,900	28,900	-	28,900	0%
General Support	35,900	77,567	41,694	35,873	54%
Winkler Property Carrying Fees	48,000	48,000	7,448	40,552	16%
Investment Fees	139,000	139,000	40,722	98,278	29%
<b>TOTAL CURRENT EXPENSES</b>	<b>1,576,735</b>	<b>1,618,402</b>	<b>93,014</b>	<b>1,525,388</b>	<b>6%</b>
<b>Transfers</b>					
Transfer to Operating Funds	-	769,649	192,412	577,237	25%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>-</b>	<b>2,346,384</b>	<b>285,426</b>	<b>2,102,625</b>	<b>12%</b>

**Florida SouthWestern State College Foundation, Inc.**  
**Executive Investment Summary**  
**First Quarter Ending 6-30-2015**

**Investment Strategy**

The Foundation's long-term and primary investment objective is to earn a total return, net of fees and with prudent levels of risk, which is sufficient to maintain the purchasing power of the endowed assets and support the annual spending policy. To achieve this investment objective, the Foundation's endowment is allocated among six asset classes: Domestic Equities, International Equities, Alternative Investments, Fixed Income, Inflation Protection Assets, and Cash/Equivalents.

**Investment Allocation at 6/30/2015**

<b><u>Asset Class</u></b>	<b><u>Balance</u></b>	<b><u>% of Allocation</u></b>
Domestic Equities	\$ 13,675,935.36	32%
Fixed Income	\$ 11,539,070.46	27%
International Equities	\$ 7,692,713.64	18%
Alternative Investments	\$ 5,128,475.76	12%
Cash & Cash Equivalents	\$ 2,564,237.88	6%
Multi Asset Real Return	<u>\$ 2,136,864.90</u>	<u>5%</u>
Total Asset Value	\$ 42,737,298.00	100%

**Spending Pool Allocation**

<b><u>Asset Class</u></b>	<b><u>Balance</u></b>	<b><u>% of Allocation</u></b>
Fixed Income	\$ 1,926,908.00	99%
Cash & Cash Equivalents	<u>\$ 22,152.00</u>	<u>1%</u>
Total Asset Value	\$ 1,949,060.00	100%

**Investment Earnings**

The Foundation portfolio is up 2.68% vs.2.94% for the blended benchmark during the first six months of the 2015 calendar year. The Foundation portfolio continues to maintain a high ratio of return vs. risk. The portfolio continues to rebound generously as the stock market continues to stabilize. The Foundation remains committed to its disciplined investment approach focusing on long-term investment goals while managing current cash needs with careful monitoring. A thoughtful rebalancing strategy remains in place.