

Florida Gulf Coast University Financing Corporation Board of Directors Meeting

September 22, 2021
11:00 A.M.
Edwards Hall #309

AGENDA

Welcome and Call to Order	Mr. Catti
1. Minutes of June 9, 2021 Meeting <ul style="list-style-type: none">Action Item	Mr. Catti
2. Review of 2020-2021 Independent Audit and IRS Form 990 <ul style="list-style-type: none">Action Item	Mr. Tuscan
3. FGCU Financing Corporation Quarterly Financial Statements <ul style="list-style-type: none">Information item	Mr. Vazquez
4. FGCU Financing Corporation Budget Update <ul style="list-style-type: none">Information item	Mr. Vazquez
5. Housing Director's Report <ul style="list-style-type: none">Information Item	Mr. Moschella
6. Executive Director's Report <ul style="list-style-type: none">Information Item	Mr. Vazquez
7. President's Report <ul style="list-style-type: none">Information Item	Dr. Martin
8. Chairperson's Report <ul style="list-style-type: none">Information Item	Mr. Catti
Old/New Business	Mr. Catti
Meeting Adjournment	Mr. Catti

ITEM: 1

**Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021**

SUBJECT: Minutes of June 9, 2021 Meeting

PROPOSED BOARD ACTION

Approve minutes

BACKGROUND INFORMATION

The FGCU Financing Corporation Board of Directors met on June 9, 2021. Minutes of the meeting were kept as statutorily required.

Supporting Documentation Included: Minutes June 9, 2021 Meeting

Prepared by: Coordinator Kelley Reyff

Legal Review: N/A

Submitted by: Vice President for Administrative Services and Finance, and Executive Director FGCU Financing Corporation David Vazquez

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**Florida Gulf Coast University
Financing Corporation
Board of Directors Meeting Minutes
June 9, 2021**

Members:

Present: Chair Joe Catti, Secretary Steve McIntosh, Marty Wasmer, Michael Martin, and Richard Eide

Via Telephone: Treasurer Larry Hart

Not Available: Doug St. Cerny

Others:

Staff Present: FGCU Financing Corporation Executive Director David Vazquez, University Controller Renée Garcia, Assistant Controller Financing Corp. Christina Silcox, Assistant Controller Jina Hernandez, Coordinator Kelley Reyff, Director Housing and Residence Life Jameson Moschella, Associate Vice President Student Engagement Dr. Brian Fisher, Vice President and General Counsel Vee Leonard, and FGCU Director Internal Audit Bill Foster.

Staff Via Telephone: Associate Controller, Financial Statements & Audits June Gutknecht.

Welcome and Call to Order

Mr. Catti called the meeting to order at 11:11 a.m. on June 9, 2021 in the Cohen Student Union, #247.

1. Approval of the March 10, 2021 Meeting Minutes

Presenter: Mr. Catti

The minutes from the March 10, 2021 meeting were presented for the Board's approval. Mr. Catti called for a motion.

- **Action** – A motion was made by Dr. McIntosh and seconded by Mr. Wasmer to approve the minutes of the March 10, 2021 meeting. All in favor. Motion carried unanimously.

2. Conflict of Interest Police and Disclosure Form

Presenter: Mr. Vazquez

Mr. Vazquez reminded the board to please return the annual Conflict of Interest Policy and Disclosure form no later than July 1, 2021.

50 **3. Seventh Amendment and Restatement of FGCU Financing Corporation Bylaws**

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52 Presenter: Mr. Vazquez

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54 Mr. Vazquez reviewed the proposed changes to the current Bylaws. Mr. Catti asked
55 for a motion.

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57 • **Action** – A motion was made by Dr. McIntosh and seconded by Mr. Wasmer
58 to approve seventh amendment of the FGCU Financing Corporation Bylaws.
59 All in favor. Motion carried unanimously.
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62 **4. Projected FGCU Financing Corporation Year End Financial Statement**

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64 Presenter: Mr. Vazquez

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66 Mr. Vazquez presented the FGCU Financing Corporation projected Year End Financial
67 Statement. There were no concerns or issues.
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70 **5. Projected FGCU Financing Corporation Year End Position and the Proposed**
71 **2021-22 Budget**

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73 Presenter: Mr. Vazquez

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75 Mr. Vazquez presented the projected year end position through June 30, 2021.
76 Revenues over expenditures of \$5.4 million is projected due primarily to the HEERF
77 (Higher Education Emergency Relief Funds) funds which were not budgeted.
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79 Mr. Vazquez presented the proposed budget for fiscal year 2021-22. Operating
80 expenses will increase over FY21 as capital improvements projects that were on hold
81 during the Pandemic will resume. The projected budget for FY22 will be
82 approximately \$1.4 million excess revenues over expenditures. Mr. Catti asked for a
83 motion.

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85 • **Action** – A motion was made by Mr. Wasmer and seconded by Dr.
86 McIntosh to approve the proposed 2021-22 budget for the FGCU Financing
87 Corporation. All in favor. Motion carried unanimously.
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89 Mr. Eide stated that at the recent FGCU Board of Trustee meeting a request was
90 made to view the current financials of the FGCU Financing Corporation. As such Mr.
91 Vazquez will give a presentation at the next FGCU Board of Trustee meeting in
92 September.
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94 **6. Housing Director's Report**

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96 Presenter: Mr. Moschella

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98 Mr. Moschella gave an update on housing which currently occupancy is 95.3%.
99 The percentages of FTIC and returning students is higher than usual. Early
100 projections for fall show an occupancy rate of approximately 96% which is better

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than the 92% which we projected for FY22 budget. Returning to pre-pandemic occupancy and revenues. Very confident that if everything continues status quo we will be back to 100% occupancy.

A discussion followed regarding housing and deferred maintenance projects. Mr. Moschella stated that they were back on track with the projects that were deferred during the pandemic. A discussion followed regarding the beds (48) that are taken off line for COVID purposes and how it is reflected in the occupancy. Discussion on COVID's effects on housing and how successful the housing team was in recruiting students to return to campus housing. Mr. Moschella feels very confident that he and his team are prepared if COVID were to reoccur on campus.

7. Executive Director's Report

Presenter: Mr. Vazquez

Mr. Vazquez thanked everyone for their assistance during his transition. The CARES act has had the positive effect on the University and will continue to have in the future if needed. Discussion followed regarding Finance Corporation bonds and the debt service ratio.

8. President's Report

Presenter: President Martin

President Martin reviewed several of the recent personnel changes and their cost savings. The Board of Trustees will begin discussions sometime in 2022 on the search for the fifth president.

Grad Walk celebration was very successful this past May and will continue to be offered again in the summer. Graduates that didn't have an in-person graduation due to COVID in 2020 will be asked to return to participate. Implementation of an Honorary Bachelor Degree program will begin in Fall of 2021.

Academic building 9 will open in about a year, Entrepreneurship Building will open in the Fall 21'. Several projects that continue to be discussed; partnering with a community health care provider to bring their services to campus for students and the community, and a work force housing facility located behind West Lake Village. One program already established is the partnership with the Red Sox Foundation which utilizes the Kleist Health Education Center on campus to assist Vets.

9. Chairperson's Report

Presenter: Mr. Catti

Mr. Catti thanked President Martin and his staff for his continued efforts during the pandemic.

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Old Business

None

New Business

The meeting was adjourned at 12:13 a.m.

Minutes submitted by: Coordinator Kelley Reyff

Minutes reviewed by: Executive Director FGCU Financing Corporation David Vazquez

Minutes approved on:

DRAFT

**Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021**

SUBJECT: Review of 2020-2021 Independent Audit and IRS Form 990

PROPOSED BOARD ACTION

Approve Annual 2020-2021 Independent Audit and IRS Form 990

BACKGROUND INFORMATION

It is required by the State of Florida that each universities' direct support organization have an annual independent audit of its operations and annual financial statements. Tuscan and Company, PA was engaged by the Florida Gulf Coast University Financing Corporation to conduct the independent audit for fiscal year 2020-2021. The auditors will present their findings, financial statements, the IRS – Form 990, and will be available to answer questions.

Supporting Documentation Included: Attachments: (A) 2020-2021 FGCU Financing Corporation Financial Audit (B) IRS Form 990

Prepared by: Tuscan and Company, PA

Legal Review: N/A

Submitted by: Vice President for Administrative Services and Finance, and Executive Director FGCU Financing Corporation David Vazquez

**Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021**

SUBJECT: Quarterly Financial Statements

PROPOSED BOARD ACTION

Information only

BACKGROUND INFORMATION

This report details the quarterly fiscal activities of the FGCU Financing Corporation projected through September 30, 2021.

Supporting Documentation Included: Quarterly Financial Statements

Prepared by: University Controller Renée Garcia

Legal Review: N/A

Submitted by: Vice President for Administrative Services and Finance, and Executive Director FGCU Financing Corporation David Vazquez

Florida Gulf Coast University Financing Corporation
Statement of Net Position
Projected as of 09/30/21, with 09/30/20 Presented

	09/30/21	09/30/20
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 50,000	\$ 57,055
Investment with State Treasury	33,426,286	28,524,757
Interest Receivable (includes restricted)	25,652	59,113
Total Current Assets:	33,501,938	28,640,925
Noncurrent Assets:		
Cash and Cash Equivalents - Debt Reserve	385,775	385,956
Investment in Direct Financing Lease	165,975,061	172,117,733
Investment with State Treasury - Debt Reserve	2,000,000	2,000,000
Investment with State Treasury - Debt Reserve	2,438,966	4,524,160
Total Noncurrent Assets:	170,799,802	179,027,849
Total Assets	204,301,740	207,668,774
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow on Debt Refunding, Net	13,586	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 204,315,326	\$ 207,668,774
LIABILITIES		
Current Liabilities		
Interest Payable	2,500,130	2,771,329
Due to University	466,818	443,538
Loans Payable - Current Portion	500,000	500,000
Bonds Payable - Current Portion	3,695,000	3,635,000
Total Current Liabilities:	7,161,948	7,349,867
Noncurrent Liabilities:		
Loans Payable	8,200,000	8,700,000
Bonds Payable, Net	154,008,618	161,780,058
Total Noncurrent Liabilities:	162,208,618	170,480,058
Total Liabilities	169,370,566	177,829,925
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow on Debt Refunding, Net	568,450	603,676
NET POSITION		
Restricted	4,826,666	6,918,438
Unrestricted (1)	29,549,644	22,316,735
Total Net Position	34,376,310	29,235,173
TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION	\$ 204,315,326	\$ 207,668,774

(1) Includes Board designated bond debt service reserves of \$8,731,588 and \$1,500,000 for future housing maintenance

Florida Gulf Coast University Financing Corporation
Statement of Revenues, Expenses, and Changes in Net Position
Projected as of 09/30/21, with 09/30/20 Presented

	09/30/21	09/30/20
REVENUES		
Operating Revenues:		
Net Rental Income Received from University	\$ 5,169,112	\$ 5,393,951
Total Operating Revenues	5,169,112	5,393,951
EXPENSES		
Operating Expenses:		
Debt Service	3,009,112	3,338,951
Financing Lease Amortization	2,160,000	2,055,000
Personnel	45,341	38,274
Contractual	20,000	20,000
Insurance	896	-
Other	248	157
Total Operating Expenses	5,235,597	5,452,382
Operating Loss	(66,485)	(58,431)
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	108,445	215,530
Transfer Out to University	(1,819,847)	(1,171,617)
Total Net Non-Operating Expenses	(1,711,402)	(956,087)
Decrease in Net Position	(1,777,887)	(1,014,518)
Beginning Net Position, June 30	36,154,197	30,249,691
Ending Net Position, September 30	\$ 34,376,310	\$ 29,235,173

Florida Gulf Coast University Financing Corporation
Statement of Cash Flows
Projected as of 09/30/21, with 09/30/20 Presented

	09/30/21	09/30/20
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Rental Income - Received from University	\$ 5,169,112	\$ 5,393,951
Interest Paid on Debt	(3,009,112)	(3,338,951)
Payments to and on Behalf of Employees	(45,341)	(38,274)
Payments to Suppliers of Goods and Services	(21,144)	(20,157)
Net Cash Provided by Operating Activities	<u>2,093,515</u>	<u>1,996,569</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer out to University	(1,819,847)	(1,171,617)
Net Cash Used in Non-Capital Financing Activities	<u>(1,819,847)</u>	<u>(1,171,617)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond/Loan Principal Payments	(2,160,000)	(2,055,000)
Net Cash Used in Capital and Related Financing Activities	<u>(2,160,000)</u>	<u>(2,055,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from Investments, Net	1,777,869	1,014,335
Interest Earned	108,445	215,530
Net Cash Provided by Investing Activities	<u>1,886,314</u>	<u>1,229,865</u>
Net Decrease in Cash and Cash Equivalents	(18)	(183)
Cash and Cash Equivalents, June 30	<u>435,793</u>	<u>443,194</u>
Cash and Cash Equivalents, September 30	<u><u>\$ 435,775</u></u>	<u><u>\$ 443,011</u></u>

**Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021**

SUBJECT: Financing Corporation Budget Update

PROPOSED BOARD ACTION

Information only

BACKGROUND INFORMATION

This report details the fiscal activities of the Florida Gulf Coast University Financing Corporation projected through September 30, 2021 and projected fiscal position through June 30, 2022 with budget amendments to be approved.

Supporting Documentation Included: FY22 Budget Report, projected through 9/30/21 and projected through 6/30/22

Prepared by: University Controller Renée Garcia

Legal Review: N/A

Submitted by: Vice President for Administrative Services and Finance, and Executive Director FGCU Financing Corporation David Vazquez

FGCU Financing Corporation
Budget Report
Projected through 09/30/21 and Projected through 06/30/22

REVENUES:	FY22 Budget	Projected through 09/30/21	% of Budget	Projected through 06/30/22	Budget Note
Net Rental Income Received from University	16,700,360	5,169,112	31%	17,674,113	A
Interest Income	677,025	108,445	16%	498,719	
Total Financing Corporation Revenues	17,377,385	5,277,557		18,172,832	
EXPENDITURES:	FY22 Budget	Projected through 09/30/21	% of Budget	Projected through 06/30/22	Note
Operating Expenses					
Debt Service	6,452,880	3,009,112	47%	6,346,488	B
Financing Lease Amortization	6,355,000	2,160,000	34%	6,355,000	C
Personnel Expenses	186,207	45,341	24%	186,207	
Contractual Expenses	23,450	20,000	85%	23,450	D
Insurance	203,244	896	0%	203,244	E
Other Expenses	25,000	248	1%	25,000	
Total Operating Expenses	13,245,781	5,235,597		13,139,389	
Non-Operating Expenses					
President Compensation	169,921	34,246	20%	169,921	
President Bonus	32,175	-	0%	32,175	
Parking Capital Improvement	150,000	21,250	14%	150,000	
Housing Capital Improvement	2,355,678	1,764,351	75%	2,355,678	
Total Non-Operating Expenses	2,707,774	1,819,847		2,707,774	
Total Financing Corporation Expenses	15,953,555	7,055,444		15,847,163	
Excess Revenues over Expenditures	1,423,830	(1,777,887)		2,325,669	
Total Expenditures and Excess Revenues	17,377,385	5,277,557		18,172,832	

Notes:

- (A) Equal to Principal & Interest paid during the year and excess revenue transferred in at end of year; estimated year end transfer at \$3,892,480 for FY22 Budget.
- (B) Bond interest payments (variable bonds monthly; fixed bonds July & January), LOC fees, Remarketing fees, and Annual fees. For FY22 variable rate bonds are budgeted at 2.09% for both 2008A and 2009A.
- (C) Bond principal payments (Bond Series 2017A paid in July; all others paid in January)
- (D) Tuscan & Company audit and Form 990 completion fees
- (E) Commercial Coverage and Fidelity Bond premiums

**Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021**

SUBJECT: Housing Director's Report

PROPOSED BOARD ACTION

Information

BACKGROUND INFORMATION

Mr. Moschella will report on current activities in housing.

Supporting Documentation Included: N/A

Prepared by: Director University Housing & Residence Life Mr. Jameson Moschella

Legal Review: N/A

Submitted by: Director University Housing & Residence Life Mr. Jameson Moschella

Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021

SUBJECT: Executive Director's Report

PROPOSED BOARD ACTION

Information only

BACKGROUND INFORMATION

The Executive Director will report on current activities of the FGCU Financing Corporation.

Supporting Documentation Included: N/A

Prepared by: Vice President for Administrative Services and Finance, and Executive Director FGCU Financing Corporation David Vazquez

Legal Review: N/A

Submitted by: Vice President for Administrative Services and Finance, and Executive Director FGCU Financing Corporation David Vazquez

**Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021**

SUBJECT: President's Report

PROPOSED BOARD ACTION

Information only

BACKGROUND INFORMATION

The President will report on the current activities of Florida Gulf Coast University.

Supporting Documentation Included: N/A

Prepared by: President Michael Martin

Legal Review: N/A

Submitted by: President Michael Martin

Florida Gulf Coast University
Financing Corporation
Board of Directors
September 22, 2021

SUBJECT: Chairperson's Report

PROPOSED BOARD ACTION

Information only

BACKGROUND INFORMATION

Mr. Catti will report on FGCU Financing Corporation's activities.

Supporting Documentation Included: N/A

Prepared by: Mr. Catti, Chair of the FGCU Financing Corporation

Legal Review: N/A

Submitted by: Mr. Catti, Chair of the FGCU Financing Corporation