



Item: BF: A-1c

BUDGET AND FINANCE COMMITTEE

Tuesday, May 16, 2017

SUBJECT: REQUEST FOR APPROVAL OF THE 2017-18 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2017-18 FAU Finance Corporation's (FAUFC) Operating Budget; and, authorize the FAUFC Executive Director to amend this budget as appropriate during the fiscal year consistent with Board of Trustees' directives and guidelines.

BACKGROUND INFORMATION

The FAU Finance Corporation By-laws, adopted November 13, 2009 and amended November 17, 2011, require the preparation of an annual budget. The budget must be prepared before the beginning of the University's fiscal year, approved by the FAUFC Board of Directors and recommended by the University President to the Board of Trustees each year. The Board of Trustees must approve the Corporation's budget before it can be enacted.

During the April 19, 2017 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2017.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2017-18 FAUFC Operating Budget

Presented by: Mr. Art Kite, Interim VP for Financial Affairs

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Florida Atlantic University Finance Corporation Operating Budget FY 2018

	Housing	Administrative	Stadium	Total
	Approved by FAUFC BOD October 26, 2016			
Operating Revenues:				
Pledged Revenue (94% Occupancy)	35,847,575	-	2,671,122	38,518,697
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	13,113,954	-	-	13,113,954
Other Operating Expenses	1,924,923	966,537	-	2,891,460
Total Operating Expenses	15,038,877	1,366,537	-	16,405,414
Net Operating Income	20,808,699	(1,366,537)	2,671,122	22,113,282
Nonoperating Revenues (Expenses):				
Investment Income	50,000	747,026	-	797,026
Depreciation	(5,539,738)	-	-	(5,539,738)
Bond Expenses:				-
Bond Interest Expense	(12,400,532)	-	(3,425,689)	(15,826,221)
Babs Subsidy	2,632,689	-	754,567	3,387,256
Net Bond Interest Expense	(9,767,843)	-	(2,671,122)	(12,438,965)
Total Nonoperating Income (Expense)	(15,257,580)	747,026	(2,671,122)	(17,181,675)
Transfers:				
Transfer to Fund Scholarships	-	2,100,000	-	2,100,000
Net Income (Financial Statement-accrual)	5,551,118	(2,719,511)	-	2,831,607

Florida Atlantic University Finance Corporation

	Budget FY 2014				Budget FY 2015				Budget FY 2016				Budget FY 2017				Budget FY 2018			
	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total
Operating Revenues:																				
Pledged Revenue	-	33,936,316	2,619,850	36,556,166	-	31,208,885	2,681,216	33,890,101	-	33,244,722	2,687,213	35,931,935	-	35,247,894	2,672,562	37,920,456	-	35,847,575	2,671,122	38,518,697
Operating Expenses:																				
Lease Expense	400,000	-	-	400,000	400,000	-	-	400,000	400,000	-	-	400,000	400,000	-	-	400,000	400,000	-	-	400,000
Housing operating expenses	-	12,675,823	-	12,675,823	-	10,807,416	-	10,807,416	-	11,441,876	-	11,441,876	-	12,589,342	-	12,589,342	-	13,113,954	-	13,113,954
Other operating expenses	259,260	1,189,885	-	1,449,145	695,739	1,109,341	-	1,805,080	624,624	1,411,979	-	2,036,603	790,685	1,597,024	-	2,387,709	966,537	1,924,923	-	2,891,460
Total Operating Expenses	659,260	13,865,708	-	14,524,968	1,095,739	11,916,757	-	13,012,496	1,024,624	12,853,856	-	13,878,480	1,190,685	14,186,365	-	15,377,051	1,366,537	15,038,877	-	16,405,414
Net Operating Income	(659,260)	20,070,608	2,619,850	22,031,198	(1,095,739)	19,292,128	2,681,216	20,877,605	(1,024,624)	20,390,867	2,687,213	22,053,456	(1,190,685)	21,061,530	2,672,562	22,543,406	(1,366,537)	20,808,698	2,671,122	22,113,282
Nonoperating Revenues (Expenses):																				
Investment Income	1,428,405	325,000	-	1,753,405	355,162	100,000	-	455,162	548,787	78,000	-	626,787	469,205	78,000	-	547,205	747,026	50,000	-	797,026
Depreciation	-	(5,546,856)	-	(5,546,856)	-	(5,392,315)	-	(5,392,315)	-	(5,294,897)	-	(5,294,897)	-	(5,655,016)	-	(5,655,016)	-	(5,539,738)	-	(5,539,738)
Bond Expenses:																				
Bond Interest Expense	-	(10,569,103)	(3,513,616)	(14,082,720)	-	(10,432,195)	(3,492,357)	(13,924,552)	-	(10,271,421)	(3,480,730)	(13,752,151)	-	(10,090,637)	(3,448,394)	(13,539,031)	-	(12,400,532)	(3,425,689)	(15,826,221)
Build America Bonds Subsidy	-	2,876,531	893,766	3,770,297	-	2,669,421	811,142	3,480,563	-	2,711,239	793,517	3,504,756	-	2,680,927	775,832	3,456,759	-	2,632,689	754,567	3,387,256
Net Bond Interest Expense	-	(7,692,572)	(2,619,850)	(10,312,423)	-	(7,762,774)	(2,681,216)	(10,443,989)	-	(7,560,182)	(2,687,213)	(10,247,395)	-	(7,409,710)	(2,672,562)	(10,082,272)	-	(9,767,843)	(2,671,122)	(12,438,965)
Total Non-Operating Income (Expense)	1,428,405	(12,914,429)	(2,619,850)	(14,105,874)	355,162	(13,055,089)	(2,681,216)	(15,381,142)	548,787	(12,777,078)	(2,687,213)	(14,915,504)	469,205	(12,986,725)	(2,672,562)	(15,190,082)	747,026	(15,257,580)	(2,671,122)	(17,181,675)
Transfer:																				
Transfer to Fund Scholarships	-	-	-	-	(2,000,000)	-	-	(2,000,000)	-	-	-	-	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)
	-	-	-	-	(2,000,000)	-	-	(2,000,000)	-	-	-	-	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)
Net Income (Financial Statement-accrual)	769,145	7,156,179	-	7,925,324	(2,740,577)	6,237,039	-	3,496,463	(475,837)	7,613,789	-	7,137,952	(2,721,480)	8,074,805	-	5,353,325	(2,719,511)	5,551,118	-	2,831,607