



Item: BF: A-1a

BUDGET AND FINANCE COMMITTEE

Tuesday, May 15, 2018

SUBJECT: REQUEST FOR APPROVAL OF THE 2018-19 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2018-19 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 30, 2018 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2018.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2018-19 FAUFC Operating Budget

Presented by: Mr. Art Kite, Deputy CFO

Phone: 561-297-3267

Florida Atlantic University Finance Corporation

Operating Budget FY 2019

	Housing	Administrative	Stadium	Total
	Approved by the FAUFC BOD November 2, 2017			
Operating Revenues:				
Pledged Revenue (96% Occupancy)	36,343,292	-	2,360,714	38,704,006
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	12,643,749	-	-	12,643,749
Other Operating Expenses	3,962,875	962,100	-	4,924,975
Total Operating Expenses	16,606,624	1,362,100	-	17,968,724
Net Operating Income	19,736,668	1,362,100	2,360,714	20,735,282
Nonoperating Revenues (Expenses):				
Investment Income	200,000	742,936	-	942,936
Depreciation	(6,000,000)	-	-	(6,000,000)
Non-Operating Expenses:				
Bond Expenses:				
Bond Interest Expense	(12,031,444)	-	(2,360,714)	(14,392,158)
Babs Subsidy	2,576,044	-	-	2,576,044
Net Bond Interest Expense	(9,455,400)	-	(2,360,714)	(11,816,114)
Total Nonoperating Income (Expense)	(15,255,400)	742,936	(2,360,714)	(16,873,178)
Transfers:				
Transfer to Fund Scholarships	-	4,275,000	-	4,275,000
Net Income (Financial Statement-accrual)	4,481,268	(4,894,164)	-	(412,896)

Florida Atlantic University Finance Corporation

	Budget FY 2015				Budget FY 2016				Budget FY 2017				Budget FY 2018				Budget FY 2019				
	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	
Operating Revenues:																					
Pledged Revenue	-	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	-	36,343,292	2,360,714	38,704,006	
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	-	10,807,416	-	10,807,416	-	11,441,876	-	11,441,876	-	12,589,342	-	12,589,342	-	13,113,954	-	13,113,954	-	12,643,749	-	12,643,749	
Other operating expenses	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	962,100	3,962,875	-	4,924,975	
Total Operating Expenses	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	1,362,100	16,606,624	-	17,968,724	
Net Operating Income	(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	(1,362,100)	19,736,668	2,360,714	20,735,282	
Nonoperating Revenues (Expenses):																					
Investment Income	355,162	100,000	-	455,162	548,787	78,000	-	626,787	469,205	78,000	-	547,205	747,026	50,000	-	797,026	742,936	200,000	-	942,936	
Depreciation	-	(5,392,315)	-	(5,392,315)	-	(5,294,897)	-	(5,294,897)	-	(5,655,016)	-	(5,655,016)	-	(5,539,738)	-	(5,539,738)	-	(6,000,000)	-	(6,000,000)	
Bond Expenses:																					
Bond Interest Expense	-	(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)	-	(12,031,444)	(2,360,714)	(14,392,158)	
Build America Bonds Subsidy	-	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	-	2,576,044	-	2,576,044	
Net Bond Interest Expense	-	(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)	-	(9,455,400)	(2,360,714)	(11,816,114)	
Total Non-Operating Income (Expense)	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)	742,936	(15,255,400)	(2,360,714)	(16,873,178)	
Transfer:																					
Transfer to Fund Scholarships	(2,000,000)	-	-	(2,000,000)	-	-	-	-	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)	(4,275,000)	-	-	(4,275,000)	
	(2,000,000)	-	-	(2,000,000)	-	-	-	-	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)	(4,275,000)	-	-	(4,275,000)	
Net Income (Financial Statement-accrual)	(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	(4,894,164)	4,481,268	-	(412,896)	