



Item: BF: A-2a

Tuesday, June 8, 2021

**SUBJECT: APPROVAL OF THE 2021-22 FLORIDA ATLANTIC
UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.**

PROPOSED Board ACTION

Approval of the 2021-22 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 May 6, 2021 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2021.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2021-22 FAUFC Operating Budget

Presented by: Ms. Stacy Volnick, V.P. Administrative Affairs

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Florida Atlantic University Finance Corporation Proposed Operating Budget FY22

	Housing	Administrative	Stadium	Total
Operating Revenues:				
Pledged Revenue (90% Occupancy)	40,115,995	-	2,357,483	42,473,478
Operating Expenses:				
Lease Expense	-	368,889	-	368,889
Housing Operating Expenses	15,618,535	-	-	15,618,535
Other Operating Expenses	1,600,915	1,459,733	-	3,060,648
Total Operating Expenses	17,219,450	1,828,622	-	19,048,072
Net Operating Income	22,896,545	(1,828,622)	2,357,483	23,425,406
Nonoperating Revenues (Expenses):				
Investment Income	-	794,365	-	794,365
Depreciation	(6,100,000)	-	-	(6,100,000)
Bond Interest Expense	(10,753,157)	-	-	(10,753,157)
Bond Payment	-	-	(2,357,483)	(2,357,483)
Total Nonoperating Income (Expense)	(16,853,157)	794,365	(2,357,483)	(18,416,275)
Institutional Support				
FAU Police Salaries & Benefits	(1,200,000)	-	-	(1,200,000)
Net Income (Financial Statement-Accrual)	\$ 4,843,388	\$ (1,034,257)	\$ -	\$ 3,809,131
Capital Expense	\$ 3,235,000	\$ -	\$ -	\$ 3,235,000



FAU Finance Corporation Budget & Actuals (FY20-FY22)

	FY20 Budget	FY20 Actuals	FY21 Budget	FY21 Projected	FY22 Budget
Operating Revenues:	\$ 39,781,076	\$ 37,654,358	\$ 39,302,708	\$ 32,799,513	\$ 42,473,478
Operating Expenses:					
Lease Expense	400,000	364,328	400,000	265,079	368,889
Housing Operating Expenses	14,567,413	11,539,643	13,222,625	11,459,884	15,618,535
Other Operating Expenses (R&R, Overhead)	3,753,782	3,150,468	3,292,102	1,301,547	3,060,648
Non-Operating (Cost of Issuance)*	-	551,155	-	-	-
Total Operating Expenses	18,721,195	15,605,594	16,914,727	13,026,510	19,048,072
Net Operating Income	21,059,881	22,048,764	22,387,981	19,773,003	23,425,406
Non-Operating Revenues (Expenses):					
Investment Income	838,696	1,826,388	794,365	425,000	794,365
Depreciation	(6,000,000)	(6,431,668)	(6,000,000)	(6,444,307)	(6,100,000)
Bond Expenses	(10,815,422)	(8,495,137)	(10,303,508)	(13,480,709)	(13,110,640)
Total Non-Operating Income (Expense)	(15,976,726)	(13,100,417)	(15,509,143)	(19,500,016)	(18,416,275)
Transfer:					
FAU Police Salaries and Benefits	(1,214,000)	(1,243,962)	(1,200,000)	(1,200,000)	(1,200,000)
Transfer to Fund Scholarships - UMI	(350,000)	(350,000)	(350,000)	(350,000)	-
	(1,564,000)	(1,593,962)	(1,550,000)	(1,550,000)	(1,200,000)
Net Income (Financial Statement-Accrual)	\$ 3,519,155	\$ 7,354,385	\$ 5,328,838	\$ (1,277,013)	\$ 3,809,131

*Capital Expenses not included. In FY20, Capital Expenses totaled \$1,313,570. In FY21, it is projected to be \$2,425,008. FY22 has a Capital Expense budget of \$3,235,000.



Five-Year Budget - FAUFC

	Budget FY 2018				Budget FY 2019				Budget FY 2020				Budget FY 2021				Budget FY 2022			
	Housing	Admin	Stadium	Total	Housing	Admin	Stadium	Total	Housing	Admin	Stadium	Total	Housing	Admin	Stadium	Total	Housing	Admin	Stadium	Total
Operating Revenues:																				
Pledged Revenue	35,847,575	-	2,671,122	38,518,697	36,343,292	-	2,360,714	38,704,006	37,422,829	-	2,358,247	39,781,076	36,943,178	-	2,359,530	39,302,708	40,115,995	-	2,357,483	42,473,478
Operating Expenses:																				
Lease Expense	-	400,000	-	400,000	-	400,000	-	400,000	-	400,000	-	400,000	-	400,000	-	400,000	-	368,889	-	368,889
Housing operating expenses	13,113,954	-	-	13,113,954	11,743,749	-	-	11,743,749	14,567,413	-	-	14,567,413	13,222,625	-	-	13,222,625	15,618,535	-	-	15,618,535
Other Operating Expenses (R&R, Overhead)	1,924,923	966,537	-	2,891,460	1,662,875	962,100	-	2,624,975	2,853,517	900,265	-	3,753,782	1,889,371	1,402,731	-	3,292,102	1,600,915	1,459,733	-	3,060,648
Total Operating Expenses	15,038,877	1,366,537	-	16,405,414	13,406,624	1,362,100	-	12,143,749	17,420,930	1,300,265	-	18,721,195	15,111,996	1,802,731	-	16,914,727	17,219,450	1,828,622	-	19,048,072
Net Operating Income	20,808,698	(1,366,537)	2,671,122	22,113,282	22,936,668	(1,362,100)	2,360,714	23,935,281	20,001,899	(1,300,265)	2,358,247	21,059,880	21,831,182	(1,802,731)	2,359,530	22,387,981	22,896,545	(1,828,622)	2,357,483	23,425,406
Nonoperating Revenues (Expenses):																				
Investment Income	50,000	747,026	-	797,026	200,000	742,936	-	942,936	54,231	784,465	-	838,696	-	794,365	-	794,365	-	794,365	-	794,365
Depreciation	(5,539,738)	-	-	(5,539,738)	(6,000,000)	-	-	(6,000,000)	(6,000,000)	-	-	(6,000,000)	(6,000,000)	-	-	(6,000,000)	(6,100,000)	-	-	(6,100,000)
Bond Expenses:																				
Bond Interest Expense	(12,400,532)	-	(3,425,689)	(15,826,221)	(12,031,444)	-	(2,360,714)	(14,392,158)	(8,457,175)	-	(2,358,247)	(10,815,422)	(7,943,978)	-	(2,359,530)	(10,303,508)	(10,753,157)	-	(2,357,483)	(13,110,640)
Build America Bonds Subsidy	2,632,689	-	754,567	3,387,256	2,576,044	-	-	2,576,044	-	-	-	-	-	-	-	-	-	-	-	-
Net Bond Interest Expense	(9,767,843)	-	(2,671,122)	(12,438,965)	(9,455,400)	-	(2,360,714)	(11,816,114)	(8,457,175)	-	(2,358,247)	(10,815,422)	(7,943,978)	-	(2,359,530)	(10,303,508)	(10,753,157)	-	(2,357,483)	(13,110,640)
Total Non-Operating Income (Expense)	(15,257,580)	747,026	(2,671,122)	(17,181,675)	(15,255,400)	742,936	(2,360,714)	(16,873,178)	(14,402,943)	784,465	(2,358,247)	(15,976,725)	(13,943,978)	794,365	(2,359,530)	(15,509,143)	(16,853,157)	794,365	(2,357,483)	(18,416,275)
Transfer:																				
FAU Police Salaries and Benefits	-	(2,100,000)	-	(2,100,000)	(900,000)	(4,275,000)	-	(4,275,000)	(1,214,000)	(350,000)	-	(1,214,000)	(1,200,000)	(350,000)	-	(1,200,000)	(1,200,000)	-	-	(1,200,000)
Transfer to Fund Scholarships - UMI	-	(2,100,000)	-	(2,100,000)	(900,000)	(4,275,000)	-	(4,275,000)	(1,214,000)	(350,000)	-	(1,564,000)	(1,200,000)	(350,000)	-	(1,550,000)	(1,200,000)	-	-	(1,200,000)
Net Income (Financial Statement-accrual)	\$5,551,118	(\$2,719,511)	\$0	\$2,831,607	\$6,781,268	(\$4,894,164)	\$0	\$2,787,103	\$4,384,956	(\$865,800)	\$0	\$3,519,155	\$6,687,204	(\$1,358,366)	\$0	\$5,328,838	4,843,388	(\$1,034,257)	\$0	\$3,809,131
Capital Expenses	860,450	-	-	860,450	1,408,000	-	-	1,408,000	900,000	-	-	900,000	2,356,500	-	-	2,356,500	3,235,000	-	-	3,235,000