



Item: AF: A-3

AUDIT AND FINANCE COMMITTEE
Monday, June 15, 2015

SUBJECT: REQUEST FOR APPROVAL OF THE 2015-16 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2015-16 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 2, 2015 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2015.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2015-16 FAUFC Operating Budget.

Presented by: Ms. Dorothy Russell, V.P. for Financial Affairs and CFO

Phone: 561-297-3267

Florida Atlantic University Finance Corporation

Budget FY 2016				
	Administrative	Housing	Stadium	Total
Operating Revenues:				
Pledged Revenue	-	33,244,722	2,687,213	35,931,935
Operating Expenses:				
Lease Expense	400,000	-	-	400,000
Housing operating expenses	-	11,441,876	-	11,441,876
Other operating expenses	624,624	1,411,979	-	2,036,603
Total Operating Expenses	1,024,624	12,853,856	-	13,878,480
Net Operating Income	(1,024,624)	20,390,867	2,687,213	22,053,456
Nonoperating Revenues (Expenses):				
Investment Income	548,787	78,000	-	626,787
Depreciation	-	(5,294,897)	-	(5,294,897)
Bond Expenses:				
Bond Interest Expense	-	(10,271,421)	(3,480,730)	(13,752,151)
Build America Bonds Subsidy	-	2,711,239	793,517	3,504,756
Net Bond Interest Expense	-	(7,560,182)	(2,687,213)	(10,247,395)
Total Non-Operating Income (Expense)	548,787	(12,777,078)	(2,687,213)	(14,915,504)
Transfer:				
Transfer to FAU Foundation for Scholarships	-	-	-	-
	-	-	-	-
Net Income (Financial Statement-accrual)	(475,837)	7,613,789	-	7,137,952

Florida Atlantic University Finance Corporation

	Budget FY 2012			Budget FY 2013				Budget FY 2014				Budget FY 2015				Budget FY 2016			
	Administrative	Housing	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total
Operating Revenues:																			
Pledged Revenue	-	27,521,023	27,521,023	-	28,540,838	1,853,485	30,194,323	-	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
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	-	11,287,617	11,287,617	-	10,736,814	-	10,736,814	-	12,675,823	-	12,675,823	-	10,807,416	-	10,807,416	-	11,441,876	-	11,441,876
Other operating expenses	30,000	-	30,000	40,000	986,828	-	1,026,828	259,260	1,189,885	-	1,449,145	695,739	1,109,341	-	1,805,080	624,624	1,411,979	-	2,036,603
Total Operating Expenses	430,000	11,287,617	11,717,617	440,000	11,723,642	-	12,163,642	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
Net Operating Income	(430,000)	16,233,406	15,803,406	(440,000)	16,817,196	1,853,485	18,030,681	(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
Nonoperating Revenues (Expenses):																			
Investment Income	215,643	-	215,643	30,000	-	-	30,000	1,428,405	325,000	-	1,753,405	355,162	100,000	-	455,162	548,787	78,000	-	626,787
Depreciation	-	(4,356,983)	(4,356,983)	-	(5,005,082)	-	(5,005,082)	-	(5,546,856)	-	(5,546,856)	-	(5,392,315)	-	(5,392,315)	-	(5,294,897)	-	(5,294,897)
Bond Expenses:																			
Bond Interest Expense	-	(2,734,426)	(2,734,426)	-	(9,075,689)	(1,653,485)	(10,729,174)	-	(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)
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
Net Bond Interest Expense	-	(2,734,426)	(2,734,426)	-	(9,075,689)	(1,653,485)	(10,729,174)	-	(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)
Total Non-Operating Income (Expense)	215,643	(7,091,409)	(6,875,766)	30,000	(14,080,771)	(1,653,485)	(15,704,256)	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)
Transfer:																			
Transfer to FAU Foundation for Scholarships	-	-	-	-	-	-	-	-	-	-	-	(2,000,000)	-	-	(2,000,000)	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(2,000,000)	-	-	(2,000,000)	-	-	-	-
Net Income (Financial Statement-accrual)	(214,357)	9,141,997	8,927,640	(410,000)	2,736,425	-	2,326,425	769,145	7,156,179	-	7,925,324	(2,740,577)	6,237,039	-	3,496,463	(475,637)	7,613,789	-	7,137,952