



Item: BF: A-2a

## BUDGET AND FINANCE COMMITTEE

Monday, June 19, 2023

**SUBJECT: REQUEST FOR APPROVAL OF THE 2023-24 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.**

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### PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2023-24 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 26, 2023 FAUFC Board meeting, this budget was approved.

### IMPLEMENTATION PLAN/DATE

July 1, 2023.

### FISCAL IMPLICATIONS

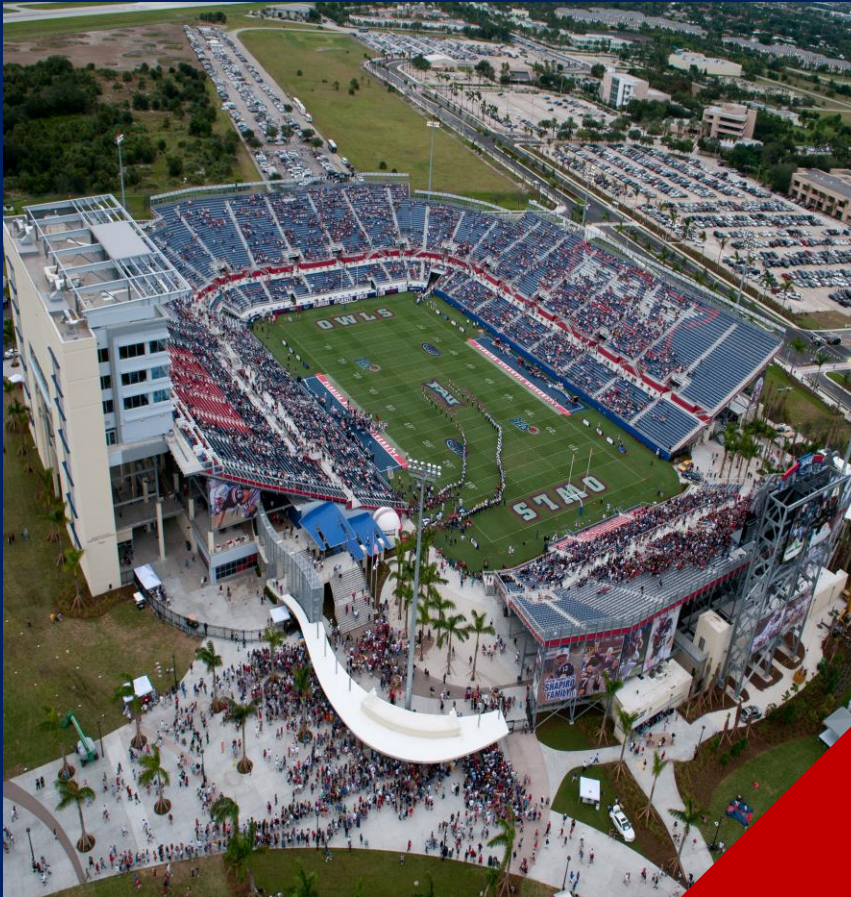
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**Supporting Documentation:** Proposed 2023-24 FAUFC Operating Budget

**Presented by:** Mr. Jayson Iroff, VP Financial Affairs and CFO

**Phone:** 561-297-3134



# Florida Atlantic University Finance Corporation

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## Proposed Stadium & Administration Operating Budget Fiscal Year 24

# FAU Finance Corporation

## Housing Financial Performance

(Approved February 14, 2023 - Revised)

	FY23 Projected	FY24 Budget	FY25 Projected	FY26 Projected
<b>Operating Revenues:</b>				
Resident Housing Fees	44,420,610	43,410,072	43,410,072	43,410,072
Student Repair Fees	82,300	85,300	85,300	85,300
Application Fees	437,000	516,100	516,100	516,100
Conference/Guest Housing/Orientation	315,000	445,000	445,000	445,000
<b>Total Operating Revenues</b>	<b>45,254,910</b>	<b>44,456,472</b>	<b>44,456,472</b>	<b>44,456,472</b>
<b>Total Operating Expenses</b>	<b>17,571,294</b>	<b>16,268,960</b>	<b>16,944,709</b>	<b>17,105,171</b>
<b>Non-Operating Expenses:</b>				
Renewal & Replacement	2,350,000	6,480,948	6,000,000	5,500,000
Auxiliary Overhead	700,000	662,194	677,788	684,207
Institutional Support				
FAU Police Salaries & Benefits	1,200,000	1,200,000	1,200,000	1,200,000
UMI	350,000	350,000	350,000	350,000
<b>Total Non-Operating Expenses</b>	<b>4,600,000</b>	<b>8,693,142</b>	<b>8,227,788</b>	<b>7,734,207</b>
<b>Total Expenses</b>	<b>22,171,294</b>	<b>24,962,102</b>	<b>25,172,497</b>	<b>24,839,378</b>
<b>Total Debt Services (Principal &amp; Interest)</b>	<b>18,531,548</b>	<b>18,534,302</b>	<b>18,531,582</b>	<b>18,207,500</b>
<b>Net Revenues Over Expenses</b>	<b>\$4,552,068</b>	<b>\$960,068</b>	<b>\$752,393</b>	<b>\$1,409,594</b>

# FAU Finance Corporation

## Stadium & Administration Operating Budget FY24

(FY20-FY24, Leading to Budget for Approval)

	FY20			FY21			FY22			FY23			FY24 (For Approval)		
	Admin	Stadium	Total	Admin	Stadium	Total	Admin	Stadium	Total	Admin	Stadium	Total	Admin	Stadium	Total
<b>Operating Revenues:</b>															
Pledged Revenue		2,358,247	2,358,247		2,359,530	2,359,530	-	2,357,483	2,357,483	-	2,359,509	2,359,509	-	2,357,793	2,357,793
<b>Operating Expenses:</b>															
Lease Expenses	400,000	-	400,000	400,000	-	400,000	368,889	-	368,889	368,889	-	368,889	368,889	-	368,889
Other Operating Expenses	900,265	-	900,265	1,402,731	-	1,402,731	1,459,733	-	1,459,733	1,750,332	-	1,750,332	1,732,995	-	1,732,995
<b>Total Operating Expenses</b>	<b>1,300,265</b>	<b>-</b>	<b>1,300,265</b>	<b>1,802,731</b>	<b>-</b>	<b>1,802,731</b>	<b>1,828,622</b>	<b>-</b>	<b>1,828,622</b>	<b>2,119,221</b>	<b>-</b>	<b>2,119,221</b>	<b>2,101,884</b>	<b>-</b>	<b>2,101,884</b>
<b>Net Operating Income (Expense)</b>	<b>(1,300,265)</b>	<b>2,358,247</b>	<b>1,057,982</b>	<b>(1,802,731)</b>	<b>2,359,530</b>	<b>556,799</b>	<b>(1,828,622)</b>	<b>2,357,483</b>	<b>528,861</b>	<b>(2,119,221)</b>	<b>2,359,509</b>	<b>240,288</b>	<b>(2,101,884)</b>	<b>2,357,793</b>	<b>255,909</b>
<b>Non-Operating Revenues (Expenses):</b>															
Investment Income	784,465	-	784,465	794,365	-	794,365	794,365	-	794,365	250,000	-	250,000	752,400	-	752,400
Bond Expenses:															
Bond Interest Expenses	-	(998,247)	(998,247)	-	(959,530)	(959,530)	-	(922,483)	(922,483)		(884,509)	(884,509)	-	(847,793)	(847,793)
Net Bond Interest Expenses	784,465	(998,247)	(213,782)	794,365	(959,530)	(165,165)	794,365	(922,483)	(128,118)	250,000	(884,509)	(634,509)	752,400	(847,793)	(95,393)
<b>Total Non-Operating Income (Expense)</b>	<b>784,465</b>	<b>(998,247)</b>	<b>(213,782)</b>	<b>794,365</b>	<b>(959,530)</b>	<b>(165,165)</b>	<b>794,365</b>	<b>(922,483)</b>	<b>(128,118)</b>	<b>250,000</b>	<b>(884,509)</b>	<b>(634,509)</b>	<b>752,400</b>	<b>(847,793)</b>	<b>(95,393)</b>
Transfer to Fund Scholarships - UMI	(350,000)		(350,000)	(350,000)		(350,000)	-		-	-		-	-		-
<b>Net Income (Financial Statement-Accrual)</b>	<b>(865,800)</b>	<b>\$1,360,000</b>	<b>\$494,200</b>	<b>(1,358,366)</b>	<b>\$1,400,000</b>	<b>\$41,634</b>	<b>(1,034,257)</b>	<b>\$1,435,000</b>	<b>\$400,743</b>	<b>(1,869,221)</b>	<b>\$1,475,000</b>	<b>(394,221)</b>	<b>(1,349,484)</b>	<b>\$1,510,000</b>	<b>\$160,516</b>
<b>Principal Payment</b>	<b>-</b>	<b>1,360,000</b>	<b>1,360,000</b>	<b>-</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>-</b>	<b>1,435,000</b>	<b>1,435,000</b>	<b>-</b>	<b>1,475,000</b>	<b>1,475,000</b>	<b>-</b>	<b>1,510,000</b>	<b>1,510,000</b>
(Reduction to Pledge Expenses)															

# FAU Finance Corporation

## Stadium & Administration Operating Budget FY24

(FY24 for Approval)

	FY24		
	Admin	Stadium	Total
<b>Operating Revenues:</b>			
Pledged Revenue	-	2,357,793	2,357,793
<b>Operating Expenses:</b>			
Lease Expenses	368,889	-	368,889
Other Operating Expenses	1,732,995	-	1,732,995
<b>Total Operating Expenses</b>	<b>2,101,884</b>	<b>-</b>	<b>2,101,884</b>
<b>Net Operating Income (Expense)</b>	<b>(2,101,884)</b>	<b>2,357,793</b>	<b>255,909</b>
<b>Non-Operating Revenues (Expenses):</b>			
Investment Income	752,400	-	752,400
Bond Expenses:			
Bond Interest Expenses	-	(847,793)	(847,793)
Net Bond Interest Expenses	752,400	(847,793)	(95,393)
<b>Total Non-Operating Income (Expense)</b>	<b>752,400</b>	<b>(847,793)</b>	<b>(95,393)</b>
Transfer to Fund Scholarships - UMI	-		-
<b>Net Income (Financial Statement-Accrual)</b>	<b>(1,349,484)</b>	<b>\$1,510,000</b>	<b>\$160,516</b>
<b>Principal Payment</b>	<b>-</b>	<b>1,510,000</b>	<b>1,510,000</b>
(Reduction to Pledge Expenses)			