



Item: BF: A-3

BUDGET & FINANCE COMMITTEE

Tuesday, June 27, 2017

SUBJECT: 2017-18 HARBOR BRANCH OCEANOGRAPHIC INSTITUTE FOUNDATION, INC. OPERATING BUDGET

PROPOSED COMMITTEE ACTION

Review the proposed 2017-18 Harbor Branch Oceanographic Institute Foundation, Inc. (HBOIF) Operating Budget and recommend that the BOT approve a continuation of the 2016-17 HBOIF Operating Budget for one quarter, until September 30, 2017.

BACKGROUND INFORMATION

Consistent with University requirements and the HBOIF Bylaws, the HBOIF must prepare an annual budget. The budget must be prepared before the beginning of the University's fiscal year, approved by the HBOIF Board of Directors, and submitted to the Board of Trustees for review and approval. This proposed budget was approved by the HBOIF Board of Directors on April 25, 2017.

The proposed budget deviates from the 2016-17 budget, in material part with an additional \$400,000 designated for legal expenses associated with a declaratory judgment action initiated by HBOIF against FAU on March 30, 2017. In order to give HBOIF and FAU time to mediate the pending legal action and reach a mutually agreeable resolution on a proposed Operating Budget for 2017-18, the FAU administration is requesting that this Board grant a continuation of the 2016-17 HBOIF Operating Budget for one quarter, through September 30, 2017.

IMPLEMENTATION PLAN/DATE

July 1, 2017-September 30, 2017.

FISCAL IMPLICATIONS

N/A

Supporting Documentation:

Proposed 2017-18 HBOIF Operating Budget

Presented by:

Mr. Art Kite, Interim VP for Financial Affairs

Katha Kissman, President and CEO, HBOIF

Dr. Daniel Flynn, Vice President, Research

Harbor Branch Oceanographic Institute Foundation

FY18 OPERATING BUDGET

approved by HBOIF Board April 25, 2017

Income

Income	
40000 · Donations & Gifts	0.00
45000 · Love Your Lagoon (Gross)	
45100 · Sponsorships	175,000.00
45200 · Ticket Sales	25,000.00
45250 · Auction	20,000.00
45300 · Donations - LYL	3,750.00
Total 45000 · Love Your Lagoon (Gross)	223,750.00
54000 · Other Revenue	
54005 · HBOIF - admin (SLP)	80,724.09
54010 · Rent & Lease Revenue	63,097.64
54023 · Sales Tax Collection Allowance	0.00
Total 54000 · Other Revenue	143,821.73
60000 · In-kind Contributions	0.00
Total Income	367,571.73
Gross Profit	367,571.73

Expense

Expense	
72000 · Payroll Expenses	
72010 · Salaries & Wages	
72011 · President & CEO	181,351.12
72012 · Director of Operations	77,506
72013 · Administrative Assistant	31,279
Total 72010 · Salaries & Wages	290,136.12
72015 · Payroll Taxes	22,195.41
72060 · 401K	12,000.00
Total 72000 · Payroll Expenses	324,331.53
75000 · Contract Professional Services	
75020 · Accounting Fees	
75021 · Audit	34,800.00
75022 · Tax Reporting	2,500.00
75023 · Accounting Oversight	46,000.00
Total 75020 · Accounting Fees	83,300.00
75025 · Professional Services	10,000.00
Total 75000 · Contract Professional Services	93,300.00
75500 · Legal Fees	
75510 · General Legal Fees	400,000.00
75512 · Legal Other	40,000.00
75500 · Legal Fees - Other	0.00
Total 75500 · Legal Fees	440,000.00
80000 · Rent (In-Kind)	0.00
80001 · Utilities (In-Kind)	0.00
81000 · Operations	
81010 · Supplies	4,000.00
81015 · Telephone	4,200.00
81020 · Postage & Shipping	1,500.00
81025 · Printing & Copying	5,000.00
81030 · Books, Subscriptions, Reference	1,500.00
81032 · Memberships & External Events	7,500.00
81035 · Computer & Website	12,000.00
81040 · Gifts & Appreciation	2,000.00
81045 · Promotion & Advertising	13,200.00
Total 81000 · Operations	50,900.00
82000 · Facilities & Equipment	
82005 · Utilities	600.00
82000 · Facilities & Equipment - Other	10,000.00
Total 82000 · Facilities & Equipment	10,600.00

82030 · Real estate taxes	4,013.00
82035 · Depreciation Expense	2,575.00
82500 · Sale of Land Expense	10,500.00
83000 · Travel & Meetings	5,000.00
83010 · Board Travel & Meetings	17,000.00
84000 · Insurance Expense	56,400.00
84100 · Bank Service Expense	2,000.00
84300 · Investment Management Fees	80,000.00
85000 · Donor Related	20,000.00
85500 · Love Your Lagoon	
85501 · Food & Beverage	35,000.00
85502 · Equipment Rental	59,000.00
85503 · Printing & Design	6,200.00
85504 · Photography	600.00
85506 · Awards & Favors	1,700.00
85507 · Supplies	500.00
85508 · Advertising & Promotion	2,000.00
85509 · Contract Labor	800.00
85510 · Miscellaneous	100.00
85511 · Postage	3,500.00
85513 · Valet Parking	2,800.00
85514 · Fees - Square/NFG	1,000.00
Total 85500 · Love Your Lagoon	113,200.00
85700 · Love Your Lagoon Proceeds	89,826.00
86000 · Business Expense	500.00
87000 · Miscellaneous Expenses	1,500.00
87011 Federal Tax Deposit Penalty	0.00
87167 · Indian River Lagoon Symposium	10,000.00
Total Expense	1,331,645.53
Net Ordinary Income	-964,073.80
Other Income/Expense	
Other Income	
90000 · Other Income	
53019 · Investment Interest & Dividends	0.00
53500 · Realized Gains/Losses	0.00
53600 · Unrealized Gains/Losses	0.00
54200 · Contributions to Endowment	0.00
Total 90000 · Other Income	0.00
Total Other Income	0.00
Other Expense	
90500 · Other Expenses	
87100 · Special Initiatives	
87160 · HBOI Development Staff Support	0.00
87165 · HBOI New Faculty	
87165-5 · HBOI New Faculty-Year 5	0.00
87165-6 · HBOI New Faculty-Year 6	806,676.00
Total 87165 · HBOI New Faculty	806,676.00
87166 · HBOI Faculty Incentives	
87166-5 · HBOI Faculty Incentives-Year 5	0.00
87166-6 · HBOI Faculty Incentives-Year 6	220,000.00
87166-9 · HBOI Faculty Incentives	314,369.00
Total 87166 · HBOI Faculty Incentives	534,369.00
87170 · HBOI Faculty Salary Support	536,095.97
87175 · HBOI Discretionary Fund Awards	0.00
87176 · HBOI Special Award	0.00
Total 87100 · Special Initiatives	1,877,140.97
87199 · Refunds - Special Initiatives	
Total 90500 · Other Expenses	1,877,140.97
Total Other Expense	1,877,140.97
Net Other Income	-1,877,140.97
Net Income	-2,841,214.77

Harbor Branch Oceanographic Institute Foundation
SLP FY18 Budget

approved by HBOIF Board April 25, 2017

Income	
Income	
50000 · Specialty License Plate Revenue	
50010 · PWD Tag Revenue	1,142,680.27
50015 · PFW Tag Revenue	380,893.42
50020 · Aqua Tag Revenue	353,686.75
50025 · SOS Tag Revenue	843,406.87
Total 50000 · Specialty License Plate Revenue	<u>2,720,667.31</u>
Total Income	<u>2,720,667.31</u>
Gross Profit	<u>2,720,667.31</u>
Expense	
Expense	
70000 · Pass Through to FAU Expense	
70010 · PWD Tag Revenue Disbursement	954,366.56
70015 · PFW Tag Revenue Disbursement	281,556.42
70020 · Aqua Tag Revenue Disbursement	256,445.25
70025 · SOS Tag Revenue Disbursement	623,446.36
Total 70000 · Pass Through to FAU Expense	<u>2,115,814.59</u>
71000 · Pass Through to Others Expense	
71010 · PFW - Wyland Foundation	38,089.34
71020 · Aqua - Guy Harvey	35,368.68
71025 · SOS - Guy Harvey	84,340.69
71041 · Aqua - Florida Aquaculture Assn	5,000.00
Total 71000 · Pass Through to Others Expense	<u>162,798.70</u>
82025 · SLP Expense	
82300 · SLP/FAU Admin Fee	88,367.26
82350 · SLP/HBOIF Admin	81,620.02
82400 · SLP Marketing Expense	
82406 · SLP Online/Broadcast/TV/Media	150,000.00
82407 · SLP Print	10,000.00
82408 · SLP Direct Mail/eBlasts	10,000.00
82411 · SLP Other/Salary/Fringe	48,000.00
82412 · SLP Margin	10,066.73
82414 · SLP Tax Collector Visibility	10,000.00
82415 · SLP Special Branding Projects	16,000.00
82416 · SLP External Events/Sponsorship	18,000.00
Total 82400 · SLP Marketing Expense	<u>272,066.73</u>
Total 82025 · SLP Expense	<u>442,054.01</u>
Total Expense	<u>2,720,667.31</u>
Net Ordinary Income	<u>0.00</u>
Net Income	<u><u>0.00</u></u>

**Harbor Branch Oceanographic Institute (HBOI) Foundation
Specialty License Plate Budget
FY18**

	FY17 Revised Budget	Proposed FY18 Budget	Explanations
Ordinary Income/Expense			
Income			
Specialty License Plate Revenue	\$ 2,690,803	\$ 2,720,667	Revenue from the 4 HBOIF Specialty License Plates
Total Income	2,690,803	2,720,667	
Expense			
Pass Through to FAU Admin Fee	107,632	88,367	FAU Admin Fee
Pass Through to Others Expense	161,066	162,799	Legislatively dictated fees to Wyland, Guy Harvey, Florida Aquaculture Assn
Pass Through to HBOIF Admin Fee	80,724	81,620	HBOIF Admin Fee
Research Support	2,072,301	2,115,814	Sponsored Research Funds
SLP Marketing Expense	269,080	272,067	SLP Marketing Expenses
Total Expense	2,690,803	2,720,667	
Net Income	\$ -	\$ -	

**Harbor Branch Oceanographic Institute (HBOI) Foundation
Operating Budget
FY18**

	FY17 Revised Budget	Proposed FY18 Budget	
Ordinary Income/Expense			
Income			
Operating Income	\$ 386,803	\$ 367,572	Gross income from Love Your Lagoon event; SLP Admin Fee to HBOIF; Rental income
Total Income	386,803	367,572	
Expense			
Operating Expenses	1,015,919	1,331,646	Payroll expense, Contract Services, Legal, Investment Fees, General Operations, Love Your Lagoon Expenses
Total Operating Expense	1,015,919	1,331,646	
Net Operating Loss	(629,116)	(964,074)	Supported from Endowment Draws -- see below
Non-operating			
Investment Income	-	-	Beginning in FY17, Investment Income is not budgeted
Special Initiatives Expense	2,139,297	1,877,141	Grant payments
Total Non-operating	(2,139,297)	(1,877,141)	
Net Income	\$ (2,768,413)	\$ (2,841,215)	
Use of Endowment	\$ 2,768,413	\$ 2,841,215	
Net Income	\$ -	\$ -	

