



Item: AF: A-3

Tuesday, June 11, 2013

SUBJECT: APPROVAL OF THE FAU FINANCE CORPORATION'S 2013-14 OPERATING BUDGET.

PROPOSED Board ACTION

Approval of the 2013-14 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 29, 2013 FAUFC Board meeting this budget was approved. Also on May 29, 2013, as required, FAU Acting President Crudele approved this budget.

IMPLEMENTATION PLAN/DATE

July 1, 2013.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2013-14 FAUFC Operating Budget.

Presented by: Dennis Crudele, Senior Vice President for Financial Affairs

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Florida Atlantic University Finance Corporation

Operating Budget FY 2014

	Housing	Administrative	Stadium	Total
Operating Revenues:				
Pledged Revenue	33,936,316	-	2,619,850	36,556,166
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing operating expenses	12,675,823	-	-	12,675,823
Other operating expenses	1,189,885	259,260	-	1,449,145
Total Operating Expenses	13,865,708	659,260	-	14,524,968
Net Operating Income	20,070,608	(659,260)	2,619,850	22,031,198
Nonoperating Revenues (Expenses):				
Investment Income	325,000	1,428,405	-	1,753,405
Depreciation	(5,546,856)	-	-	(5,546,856)
Bond Expenses:				
Bond Interest Expense	(10,569,103)	-	(3,513,616)	(14,082,720)
Babs Subsidy	2,876,531	-	893,766	3,770,297
Net Bond Interest Expense	(7,692,572)	-	(2,619,850)	(10,312,423)
Total Non-Operating Income (Expense)	(12,914,429)	1,428,405	(2,619,850)	(14,105,874)
Net Income (Financial Statement-accrual)	7,156,179	769,145	-	7,925,324

Florida Atlantic University

Stadium Operations

FY 2014

Pledged Revenues:

Ticket Sales/Other Event-Tickets	600,000
Game Guarantees	1,000,000
Student Fees (5% of prior year)	535,370
Development/Corporate Sales	480,792
Catering/Concessions/Novelties	124,000
Facilities/Parking	200,000
Premium/Priority Seating	500,000
Other	3,589,850
Total Pledged Revenue	<u>7,030,012</u>

Operating Expenses:

Salaries and Benefits	220,445
Utilities//Maintenance/Facility Rental	360,000
Replacement/Repairs Fund	557,289
Rental Expenses	197,310
Game day Expenses	543,271
Equipment/Supplies/Memberships	24,700
Advertising/Promotions	272,000
Insurances	60,100
Other Expenses	372,577
Debt Service	2,619,850
Total Expenses	<u>5,227,542</u>

Total Revenue in excess of Expenses	1,802,470
	26%

Debt Covenant:

Pledged Revenues	7,030,012
Debt Service	2,619,850

Debt Coverage Ratio	2.68x
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