

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

AGENDA

Wednesday, May 29, 2013, 10:00 a.m.

President's Conference Room #340

Boca Raton Campus

Call in Number: 1-888-537-7715 / Passcode: 59289651#

1. Roll Call and Approval of the Draft Minutes of the October 25, 2012 Mr. Barbar, Chair and the November 16, 2012 FAU Finance Corporation Board of Directors meetings.
2. Request for Approval of the 2013-2014 FAU Finance Corporation Mr. Dennis Crudele
Operating Budget. Executive Director
3. Fiscal Year 2012-13 Performance Report on the FAU Housing Mr. Crudele
System, Boca Raton Campus
4. Adjournment of Meeting. Mr. Barbar

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Wednesday, May 29, 2013

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 25, 2012 AND THE NOVEMBER 16 2012 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETINGS.

PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved and to approve the minutes of the October 25, 2012 and the November 16, 2012 FAU Finance Corporation board of Directors meetings.

BOARD MEMBERS

Mr. Anthony Barbar, Chair ___

Mr. Scott Adams, Vice Chair ___

Mr. Peter LoBello ___

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, October 25, 2012

1. **ROLL CALL AND APPROVAL OF THE MINUTES OF THE JUNE 12, 2012 MEETING OF THE FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD).**

Documents: Draft Minutes of the June 19, 2012 FAUFC BOD meeting.

The meeting of the FAUFC BOD was convened by Mr. Anthony Barbar, Chair, at 9:35 a.m. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD in addition to Mr. Barbar, participating:

Via teleconferencing: Mr. Scott Adams and Mr. Peter LoBello.

The following officers were in attendance:

Mr. Dennis Crudele, Executive Director, and Ms. Stacey Semmel, Secretary/Treasurer.

The following guests were in attendance:

Mr. Donovan Maginley and Mr. Anil Harris of McGladrey Pullen LLC; Ms. Elizabeth Rubin, FAU Associate General Counsel; and, Ms. Linda Elliott, FAU Administrative Assistant/Financial Affairs.

Upon call, a motion was made by Mr. LoBello and seconded by Mr. Barbar to approve the minutes of the June 19, 2012 meeting without change or correction. **The motion passed unanimously.**

2. **REVIEW OF THE FAU FINANCE CORPORATION FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2012.**

Documents: FAUFC Financial Statement, June 30, 2012
Report to the Board of Directors (**See ATTACHMENT A**)

Mr. Crudele advised members that the financial statement has been completed early this year in association with the Southern Association of Colleges and Schools (SACS) accreditation requirements.

Ms. Semmel then noted that fiscal year ending June 30, 2012 finalized the first year of having all Boca Raton housing operations managed through the FAUFC and while there were some challenges associated with gathering appropriate data in conjunction with the shared

operating responsibilities with Capstone On-campus Management they were met and all data was produced as needed. She introduced Mr. Maginley and Mr. Harris of McGladrey Pullen to present the findings on the financial status of the FAUFC.

Mr. Maginley distributed the Report to the Board of Directors which, issue in conjunction with the financial statements, summarizes matters that are required to be communicated to this Board. He reviewed and clarified information provided in the report including a statement of the auditor's responsibilities under professional standards; accounting practices utilized in the audit (stadium construction/land lease); management's judgments and accounting estimates (depreciation); financial statement disclosures; audit adjustments (inter-entity transactions); disagreements with management; consultations with other accountants; significant issues discussed with management; difficulties encountered in performing the audit; a letter communicating internal control matters; and, certain written communications between management and McGladrey & Pullen, LLP.

Concluding his presentation, Mr. Maginley noted the Report on Internal Control over Financial Reporting and on Compliance and Other Matters and informed members that no material deficiencies in internal control over financial reporting was found but one instance identified as a significant deficiency – less severe than a material deficiency – was reported relating to adjustments in routine and unusual transaction between the University and the FAUFC were made to the trial balance to comply with accounting principles. Mr. Maginley disclosed that in prior years this would not result in a finding but with professional standard changes it now must be noted. He also advised that this being the first year of operations was liable for this one-off issue and that management had now established appropriate policies and procedures to mitigate this issue. The final auditing opinion was deemed 'unqualified' which reflects the highest auditing level.

Mr. Harris then provided a review of the financial statement profit and loss sheet showing the revenues, expenses and changes in net assets for the first year of operations. He reported almost \$21 million dollars in revenues; the addition to the financial statement of Innovation Village Housing depreciation and the expenses associated with the Boca Raton campus housing since that is the only asset of the FAUFC. Of additional note was the approximately \$22 million contribution to the University as debt service to the Stadium. The totals resulted in a net loss of approximately \$11 million – with the stadium unable to be capitalized by the FAUFC – for an approximate \$31 million deficit which will improve with continued operations of the Housing system. The cash balance at year end totaled approximately \$35 million.

Mr. Crudele noted the one finding as an issue of internal control that management has taken action to address and which had no effect on the bottom line.

No questions or commentary were put forth by members.

3. **UPDATE ON THE REFINANCING OF THE INNOVATION VILLAGE HOUSING 2010 SERIES B BONDS.**

Documents: Summary of Financial Institution Responses (see ATTACHMENT B).

Mr. Crudele advised that with currently favorable market rates, refinancing of the Innovation Village Housing 2010 Series B bonds is being researched. He reminded members that the 2010 B Bonds had been a private placement by the developer, Balfour Beatty, at \$3.365 million with an interest rate of 7.39 percent.

Through a financial advisor and bond counsel a request for proposals was released with two responses being received and reviewed. The details and options associated with each proposal were examined. Members were informed that during negotiations with the financial institute with most attractive proposal it was learned that their policies were not beneficial to the FAUFC or FAU. Members also were reminded that the FAU Board of Trustees is required to approve FAUFC actions of this type and blanket approval was received on October 18, 2012 to continue negotiations to achieve the fullest savings possible in this refinancing initiative. With that blanket approval, upon completion of negotiations, and with the approval of this FAUFC BOD, a closing can be scheduled without delay.

A motion was made by Mr. LoBello and seconded by Mr. Barbar to approve researching the viability of refinancing the Innovation Village Housing 2010 Series B bonds with the understanding that the issue will return for full approval in the near future. **The motion passed unanimously.**

4. **ADJOURNMENT OF MEETING.** With no other issues to discuss, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 10:04 a.m.**

FAU Finance Corporation
(A component unit of Florida Atlantic University)

Report to the Board of Directors

October 22, 2012



Assurance ■ Tax ■ Consulting



October 22, 2012

Board of Directors
FAU Finance Corporation
777 Glades Road, 10/158
Boca Raton, FL 33431

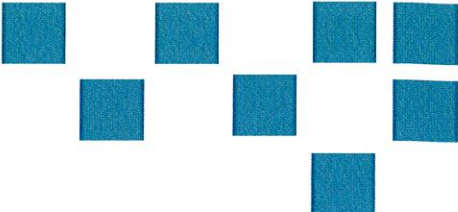
Ladies and Gentlemen:

We are pleased to present this report related to our audit of the financial statements of FAU Finance Corporation (hereafter the Corporation) as of and for the year ended June 30, 2012. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Corporation's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and is not intended to be and should not be used by anyone other than this specified party. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Corporation.

McGladrey LLP

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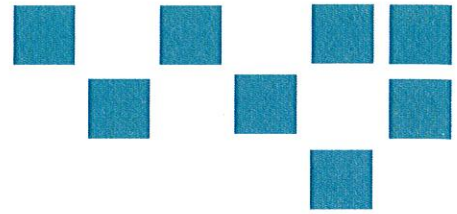
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Exhibit A – Letter Communicating Significant Deficiencies and Material Weaknesses

Exhibit B – Certain Written Communications between Management and Our Firm

- Arrangement Letter
- Representation Letter



Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	<p>The financial statements are the responsibility of management. Our responsibility under auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States, has been described to you in our arrangement letter dated July 2, 2012.</p> <p>Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute assurance about whether the financial statements are free of material misstatements.</p> <p>We have issued an unqualified opinion on the Corporation's financial statements as of and for the year ended June 30, 2012, dated October 2, 2012.</p>
Accounting Practices	<p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Corporation. The Corporation did not adopt any significant new accounting policies nor have there been any significant changes in existing accounting policies during the current period.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>The following are descriptions of significant and unusual transactions which occurred in the current fiscal year.</p> <ul style="list-style-type: none">• The Corporation has made a contribution to the University representing all costs related to the construction of the stadium facility.• The Corporation, pursuant to Ground Sublease Agreement between the Corporation and the University, has accounted for the activity of the existing dormitory facilities in its financial statements.

Area	Comments
Management's Judgments and Accounting Estimates	<p>Alternative Treatments Discussed with Management</p> <p>We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.</p>
Financial Statement Disclosures	<p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates."</p>
Audit Adjustments	<p>We have reviewed the basic financial statements and assessed the related judgments made, in formulating the notes, particularly sensitive financial statement disclosures, and the overall neutrality, and clarity of the disclosures in the financial statements.</p>
Uncorrected Misstatements	<p>Audit adjustments recorded by the Corporation are included with the Representation Letter attached as Exhibit B.</p> <p>Uncorrected misstatements are included with the Representation Letter attached as Exhibit B.</p>
Disagreements with Management	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
Consultations with Other Accountants	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
Significant Issues Discussed with Management	<p>No significant issues arising from the audit were discussed or were the subject of correspondence with management.</p>
Difficulties Encountered in Performing the Audit	<p>We did not encounter any difficulties in dealing with management during the audit.</p>
Letter Communicating Significant Deficiencies and Material Weaknesses	<p>We have communicated a significant deficiency identified during our audit in separate letter included in Exhibit A.</p>
Certain Written Communications Between Management and Our Firm	<p>Copies of certain written communications between our firm and the management of the Corporation are attached as Exhibit B.</p>

FAU Finance Corporation

(A component unit of Florida Atlantic University)

Summary of Accounting Estimates

Year Ended June 30, 2012

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes a significant accounting estimate reflected in the Corporation's June 30, 2012 financial statements:

Area	Accounting Policy	Estimation Process	Comments
Depreciation of Capital Assets	Depreciation on capital assets is provided using the straight-line method over the lesser of the useful life of the asset or the land lease term.	Capital assets are recorded at historical cost or estimated historical cost and depreciated on a straight-line basis.	McGladrey has reviewed the process used by management and determined that the methodology is properly and consistently applied and the resulting estimate is reasonable.

Exhibit A - Letter Communicating Significant Deficiencies and Material Weaknesses



**Independent Auditor's Report
on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
Government Auditing Standards**

To the Board of Directors
FAU Finance Corporation
Boca Raton, Florida

We have audited the statement of financial position of FAU Finance Corporation (the "Corporation"), a direct support organization and component unit of Florida Atlantic University, as of June 30, 2012 and the related statement of activities and cash flows for the year ended June 30, 2012, and have issued our report thereon dated October 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as IC 2012-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Corporation's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the members of the Corporation's Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Fort Lauderdale, Florida
October 2, 2012

**FAU Finance Corporation
(A component unit of Florida Atlantic University)**

**Schedule of Findings and Responses
For the Year Ended June 30, 2012**

IC 2012-01 – Post Closing and Financial Reporting Process

Criteria: Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process. The post closing and financial reporting process, including the accurate recording and accounting of transactions is a critical function of the Corporation and should be completed in a timely manner.

Condition: We noted that adjustments were made to the Corporation's trial balance in order to comply with accounting principles generally accepted in the United States ("GAAP"). The adjustments related to routine transactions as well as certain unusual transactions between the University and the Corporation (inter-entity transactions).

We noted that management did not have a process in place to adequately evaluate, summarize, and report significant inter-entity transactions. Post-closing adjusting entries were made to properly record the Corporation's inter-entity leasehold interest in the dormitory facilities and related capital assets. Other adjustments were needed to properly state dorm revenues, depreciation expense, and amounts due from the University at year end.

Context: The finding is considered systemic in nature.

Effect: The lack of adequate closing policies and procedures could result in material misstatements to the financial statements.

Cause: Formal policies and procedures have not been established to ensure that all routine as well as significant and unusual transactions are reviewed and properly reported in the financial statements.

Recommendation: We recommend that management adopt and adhere to a policy that will help ensure that all routine as well as significant and unusual transactions are evaluated and recorded in a timely manner.

Views of Responsible Officials and Planned Corrective Action: Fiscal year 2012 was the first year that housing operation activity flowed through the newly established FAUFC. Management has already addressed the performance issues of staff members responsible for the daily accounting operations of these reports. In future audits, Management will ensure that all routine and significant/unusual transactions are evaluated and recorded in a timely manner and that all records are fully reconciled prior to submission to the auditor.

Exhibit B - Certain Written
Communications between Management
and Our Firm



July 2, 2012

Ms. Stacey Semmel
Assistant Vice President for Financial Affairs & University Controller
and FAU Finance Corporation Secretary
Florida Atlantic University
Controller's Office
777 Glades Road
Adm 10/161
Boca Raton, FL 33431

Attention: Stacey Semmel

This letter is to explain our understanding of the arrangements for the services we are to perform for The FAU Finance Corporation (The Corporation) for the year ending June 30, 2012. We ask that you either confirm or amend this understanding.

Audit Services

We will perform an audit of The Corporation as of the year ended June 30, 2012. We understand that the financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America. The objective of an audit of financial statements is to express an opinion on those statements.

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the board of directors are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect errors or frauds that are immaterial to the financial statements. The determination of abuse is subjective; therefore, *Government Auditing Standards* do not expect us to provide reasonable assurance of detecting abuse.

An audit of financial statements includes obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate to management and the board of directors any significant deficiencies or material weaknesses that we become aware of during the course of the audit.

We will also communicate to the board of directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (b) any illegal acts, violations of provisions of contracts or grant agreements, and

abuse that come to our attention (unless they are clearly inconsequential), (c) should any arise, any disagreements with management and other serious difficulties encountered in performing the audit, and (d) various matters related to the entity's accounting policies and financial statements.

In addition to our report on the entity's financial statements, we will also issue the following reports or types of reports:

- Report on internal control related to the financial statements. This report will describe the scope of testing of internal control and the results of our tests of internal controls.
- Report on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements.

Our report on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circulars identified above. Our report on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts; and any state or federal requirements we become aware of, consistent with requirements of the standards identified above.

The Corporation's Responsibilities

Management is responsible for the financial statements, including the selection and application of accounting policies, adjusting the financial statements to correct material misstatements, and for making all financial records and related information available to us. Management is responsible for providing us with a written management representation letter confirming certain representations made during the course of our audit of the financial statements and affirming to us that it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and to the opinion units of the financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge.

Management is responsible for identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.

Management is also responsible for (a) making us aware of significant vendor relationships where the vendor is responsible for program compliance, (b) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and (c) report distribution including submitting the reporting package(s).

The board of directors is responsible for informing us of its views about the risks of fraud within the entity, and its knowledge of any fraud or suspected fraud affecting the entity.

The entity agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the entity agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering. We may conclude that we are not otherwise associated with the proposed offering and that our association with the proposed offering is not necessary, providing the entity agrees to clearly indicate that we are not associated with the contents of the official statement or memorandum. The entity agrees that the following disclosure will be prominently displayed in the official statement or memorandum:

McGladrey LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. McGladrey LLP also has not performed any procedures relating to this official statement or memorandum.

Our association with an official statement or memorandum is a matter for which separate arrangements will be necessary. The entity agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the entity seeks such consent, we will be under no obligation to grant such consent or approval.

Because McGladrey LLP will rely on The Corporation and its management and board of directors to discharge the forgoing responsibilities, The Corporation holds harmless and releases McGladrey LLP, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of The Corporation's management that has caused, in any respect, McGladrey LLP's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

The Corporation's Records and Assistance

If circumstances arise relating to the condition of your records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which in our professional judgment prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the entity's books and records. The entity will determine that all such data, if necessary, will be so reflected. Accordingly, the entity will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by the FAU Finance Corporation's personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with you prior to the start of our fieldwork. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In addition, we may utilize financial information you have provided to us in connection with this engagement for purposes of creating benchmarking data to be used by McGladrey LLP professionals and other clients. This benchmarking data is aggregated with data from a minimum of five other entities so that users of the data are unable to associate the data with any single entity in the database.

Fees, Costs, and Access to Audit Documentation

Our fees for the audit and accounting services described above are \$18,000 and are based upon the time required by the individuals assigned to the engagement, plus direct expenses as agreed upon in advance in writing by the Corporation. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

The documentation for this engagement is the property of McGladrey LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request; and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of McGladrey LLP audit personnel and at a location designated by our Firm.

You have requested we assist you with the preparation of the financial statements and provide certain other related services.

The two overarching principles of the independence standards of the *Government Auditing Standards* issued by the Comptroller General of the United States provide that management is responsible for the substantive outcomes of the works, and therefore, has a responsibility and is able to make any informed judgment on the results of the services described above. Accordingly, The Corporation agrees that management will perform the following:

- Be accountable and responsible for overseeing preparation of the financial statements.
- Establish and monitor the performance of the preparation of the financial statements to ensure that they meet management's objectives.
- Make any decisions that involve management functions related to the preparation of the financial statements and accept full responsibility for such decisions.
- Will evaluate the adequacy of services performed and any findings that result.

Claim Resolution

The Corporation and McGladrey LLP agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than the length of the applicable statute of limitations. .

The Corporation waives any claim for punitive damages.

This letter constitutes the complete and exclusive statement of agreement between McGladrey LLP and The Corporation, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

July 2, 2012
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In accordance with *Government Auditing Standards*, a copy of our most recent peer review report is enclosed, for your information.

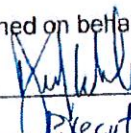
If this letter defines the arrangements as the you understand them, please sign and date the enclosed copy and return it to us.

McGladrey LLP



Donnovan Maginley
Partner

Confirmed on behalf of FAU Finance Corporation:



Executive Director
7/3/2012

System Review Report

To the Partners of
McGladrey & Pullen, LLP
and the National Peer Review Committee
of the American Institute of Certified
Public Accountants Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of McGladrey & Pullen, LLP (the firm) applicable to non-SEC issuers in effect for the year ended April 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of McGladrey & Pullen, LLP applicable to non-SEC issuers in effect for the year ended April 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McGladrey & Pullen, LLP has received a peer review rating of *pass*.

BKD, LLP

December 2, 2010

FAU FINANCE CORPORATION

777 Glades Road
Administration Building 10, Room 345
Boca Raton, Florida 33431

October 2, 2012

McGladrey & Pullen, LLP
100 N.E. Third Avenue, Suite 300
Fort Lauderdale, FL 33301

In connection with your audit of the basic financial statements of the FAU Finance Corporation (the "Corporation"), a direct support Corporation and component unit of Florida Atlantic University (the "University"), as of and for the year ended June 30, 2012, we confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

We confirm to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. There are no organizations that are a part of this reporting entity or with which we have a relationship, as those organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards that are:
 - a. Component units.
 - b. Other organizations for which the nature and significance of their relationship with the Corporation are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
 - c. Jointly governed organizations in which we participated.
3. We are a component unit of Florida Atlantic University as this term is defined in section 2100 of the governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
4. We are responsible for compliance with laws and regulations applicable to the Corporation.
5. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.
6. We have made available to you (if applicable):
 - a. All financial records and related data of all funds and activities, including those of all special funds, programs, departments, projects, activities, etc., in existence at any time during the period covered by your audit.
 - b. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.
7. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in the internal control.

- b. Others where the fraud could have a material effect on the financial statements.
8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
 9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation received in communications from employees, former employees, regulators, vendors or others.
 10. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data, other than those noted during the audit.
 11. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 12. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 13. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Related party transactions, including those with other organizations for which the nature and significance of their relationship with the Corporation are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, including accounts and advances receivable and payable, sale and purchase transactions, long-term loans, leasing arrangements and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.
 - b. Debt issue provisions and bond amounts.
 - c. Risk financing activities.
 - d. We do not believe any disclosure of unadopted standards is necessary.
 - e. Deposits and investment securities categories of risks.
 - f. All leases and material amounts of rental obligations under long-term leases.
 - g. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - h. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - i. Amounts of contractual obligations and commitments.
 - j. The fair value of investments.
 - k. Security agreements in effect under the Uniform Commercial Code.
 14. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made to reduce receivables to their estimated net collectable amounts.

15. There are no:

- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.
- b. Significant estimates and material concentrations known to management which are required to be disclosed in accordance with the AICPA's Statement of Position No. 94-6, Disclosure of Certain Significant Risks and Uncertainties. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
- c. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
- d. Risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through the date of this letter and/or for expected retroactive insurance premium adjustments applicable to periods through the date of this letter.
- e. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Accounting Standards Code No. 450 and/or GASB Statement No. 10.
- f. Guarantees, whether written or oral, under which the Corporation is contingently liable.
- g. Agreements to repurchase assets previously sold.
- h. Line of credit or similar arrangements.
- i. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
- j. Authorized but unissued bonds and/or notes.
- k. Special and extraordinary items.
- l. Impairment of capital assets.
- m. Material losses to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
- n. Material losses to be sustained as a result of purchase commitments.
- o. Environmental cleanup obligations or GASB 49 obligations.
- p. Arbitrage liabilities.
- q. Amounts of contractual obligations for purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
- r. Liabilities which are subordinated in any way to any other actual or possible liabilities.
- s. Derivative financial instruments.

- t. Defined benefit pension amounts.
 - u. Other post employment benefit amounts.
 - v. Communications from grantors, lenders, other funding sources or regulatory agencies concerning noncompliance with:
 - (1) Statutory, regulatory or contractual provisions or requirements.
 - (2) Financial reporting practices that could have a material effect on the financial statements.
16. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.
 17. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statement.
 18. We have satisfactory title to all owned assets.
 19. We have complied with all aspects of contractual agreements and (specifically the bond indentures) that would have a material effect on the financial statements in the event of noncompliance.
 20. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) are properly classified.
 21. Expenses and revenues have been appropriately classified in the statements of revenues, expenses, and changes in net assets
 22. Capital assets are properly capitalized and reported.
 23. Management's discussion and analysis is properly measured and presented.
 24. We are exempt from federal income taxes as a Section 501(c)(3) not-for-profit corporation.
 25. We have identified the significant events or transactions that have occurred since the balance sheet date and through the date of this letter, and such events and transactions have been recognized or disclosed in the financial statements.
 26. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which are included in the summarized schedule of posted adjustments and will post all adjustments accordingly. These adjustments are attached as **Appendix B**. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.
 27. We have determined that the University's Board can unilaterally allow for a decertification of the Corporation and cause the return of all University and facilities.
 28. All costs incurred for construction of the Stadium Facility for the University is properly accounted for as a Contribution from the Corporation to the University. The University has and will retain title and ownership rights to the Stadium Facility.
 29. We have determined that the IRS credit associated with the BAB bonds is properly excluded from the computation of capitalized interest in accordance with ASC 835-20 – *Capitalization of Interest Costs*.

30. The University maintains a \$6 million deposit (exclusive of amounts held by the Trustee under the Indenture) with Regions Bank as required by the Indenture.

31. We believe that the effects of the uncorrected misstatements aggregated by you and summarized in **Appendix A** are immaterial, both individually and in the aggregate to basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm:

32. We are responsible for:

- a. Compliance with the laws, regulations, or provisions of contracts applicable to the Corporation.
- b. Establishing and maintaining effective internal control over financial reporting.

32. We have identified and disclosed to you:

- a. All laws, regulations, and provisions of contracts that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.

33. We know of no violations of contractual provisions, or State, or Federal statutory regulatory provisions.

During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

FAU Finance Corporation



Anthony Barbar, Chair of FAU Finance Corporation

Date Signed 10/12/12



Stacey Semmel, Treasurer, FAU Finance Corporation and Assistant Vice President of Financial Affairs and University Controller, FAU

Date Signed 10/2/12

FAU Finance Corporation
 Summary of Adjustments Passed
 As of and for the year ended June 30, 2012

Appendix A

DESCRIPTION	ASSETS	LIABILITIES	NET ASSETS	REVENUE	EXPENSE
Adjust beginning Net Assets for amounts that should have been capitalized in FY 2011.	\$ 469,088	\$ -	\$ (469,088)	\$ -	\$ -
CURRENT YEAR MISSTATEMENTS					
<u>Known Errors</u>					
To record additional depreciation expense on FF&E	(371,599)				371,599
Adjust CIP additions in FY 2012	(469,088)		469,088		-
Adjust capitalized interest expense		223,155			(223,155)
SUBTOTAL	<u>\$ (371,599)</u>	<u>\$ 223,155</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 148,444</u>
Effect of current year passed adjustments on net assets			148,444		
Cumulative effect on net assets			<u>\$ 148,444</u>		

FAU Finance Corporation
 June 30, 2012
 Summary of Recorded Audit Adjustments

Appendix B

Number	Account Name	Debit	Credit
16700	Due From Comp.Unit/Primary Govt.		\$ (6,050,356)
000001X	Housing Contracts	\$ 6,050,356	
	To reverse "Housing Contacts" revenue improperly recognized by the Finance Corporation.		
26400	Works Of Art,Hist.Trea.-Depreciable		
27200	Buildings		-94,419,797
27300	Acc.Dep.-Buildings	17,200,559	
27400	Infrastructure And Other Improve.		-763,731
27500	Acc.Dep.-Infrastructure And Other	76,938	
27600	Furniture And Equipment		-672,884
27700	Acc.Dep.-Furniture And Equipment	212,217	
28830	Computer Software		-45,000
28900	Acc.Dep.-Other Fixed Assets	45,000	
49900	Other Charges		-289,915
000006X	Prior Period Adj-Net Assets	80,792,903	
000006X	Prior Period Adj-Net Assets	289,915	
100009X	Other Expenses		-366,081
100013X	Depreciation Expense		-2,060,124
	To remove existing dorm facility capital assets improperly transferred to FAU Finance Corporation in FY 12.		
16700	Due From Comp.Unit/Primary Govt.		-529,951
499000	Other Current Charges-Other	529,951	
	To reduce Due From University balance for costs incurred by the Finance Corporation and not reimbursable by the University.		
27300	Acc.Dep.-Buildings		-1,414,316
100013X	Depreciation Expense	1,414,316	
	To adjust depreciation expense on Innovation Village Dorms based on a useful life of 28 years (remaining life of land lease)		
		<u>\$106,612,155</u>	<u>-\$106,612,155</u>

Florida Atlantic University
 Capital Improvement Revenue Bonds, Series 2012B
 (Refunding Innovation Village Revenue Bonds, Series 2010B)
 Summary of Responses

	PNC-1 (1.66%)	PNC-2 (1.66%)	JPM (1.85%)	JPM (2.14%)
Par Amount of Loan	3,440,000.00	3,440,000.00	3,440,000.00	3,440,000.00
All-In TIC	1.86%	2.00%	2.05%	2.49%
Total Principal and Interest	4,178,729.51	3,837,848.51	4,269,480.39	3,957,704.04
Present Value \$ Savings	2,471,752.26	2,471,725.74	2,347,371.50	2,164,520.90
Present Value % Savings	73.45%	73.45%	69.76%	64.32%
Average Annual PV Savings	102,989.68	102,988.57	97,807.15	166,501.61
Final Maturity	7/1/2036	7/1/2025	7/1/2036	7/1/2025
Outstanding Balance in 2019	2,715,000.00	1,980,000.00	2,725,000.00	2,005,000.00

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Friday, November 16, 2012

1. ROLL CALL.

The meeting of the FAU Finance Corporation (FAUFC) Board of Directors (BOD) was convened by Mr. Anthony Barbar, Chair. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD in addition to Mr. Barbar, participating:

Mr. Scott Adams and Mr. Peter LoBello.

The following officers were in attendance:

Mr. Dennis Crudele, Executive Director, and Ms. Stacey Semmel, Secretary/Treasurer.

The following guest was in attendance:

Ms. Elizabeth Rubin, FAU Associate General Counsel.

2. REQUEST FOR APPROVAL OF THE RESOLUTION AND SUPPORTING DOCUMENTS TO REFINANCE THE INNOVATION VILLAGE HOUSING (IVH) 2010 SERIES B BONDS.

Mr. Crudele reminded members of discussions during the October 2012 FAUFC BOD meeting on refinancing the Innovation Village Housing (IVH) 2010 Series B Bonds portion of the IVH financing plan which were initially purchased as a private placement by the developer with higher than desirable rates. At that time, the financial institution initially favored for the refinancing had proven unsatisfactory and additional negotiations commenced to generate more acceptable financing results.

Members were informed that the proposal finally selected was submitted by J.P. Morgan with an interest rate of 2.14 percent. All proposals received included a "put option" which allows for resetting of the interest rate in seven years. Mr. Crudele noted that there is interest rate risk associated with the put option but it is believed that even in a worst case scenario significant savings will occur. J.P. Morgan's proposal, being recommended for approval, includes the option to reduce the final maturity date from 2036 to 2025. While the payment remains nearly the same, the principal is reduced by an additional \$735,000 as a result of the accelerated payoff schedule. There is sufficient debt service coverage at the same payment rate.

Documents: 1. A Resolution of the FAU Finance Corporation Approving the Refunding of Certain Outstanding Capital Improvement Revenue Bonds Subordinate Series 2010b (Innovation Village Project) and Authorizing the Execution and Delivery of the First Supplemental Trust Indenture Pursuant to Which the FAU Finance Corporation's Capital Improvement Revenue Bond (Student Housing Project), Series 2012b are to be Issued in an Aggregate Principal Amount Not To Exceed \$3,440,000 for the Purpose Of Refunding the Series 2010b Bonds; Delegating to the Chairperson or the Executive Director the Authority to Execute and Deliver the First Supplemental Trust Indenture Relating to the Negotiated Sale of Such Series 2012b Bond to JP Morgan Chase Bank, N.A. in Accordance with the Terms Set Forth Herein and Certain Other Related Documents; and Providing an Effective Date; and 2. The FAUFC, Issuer, and U.S. National Association, Trustee, First Supplemental Trust Indenture.

A motion was made and seconded to approve the Resolution and First Supplemental Trust Indenture as presented. **The motion passed unanimously.**

3. **ADJOURNMENT OF MEETING.** With no other issues to discuss, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned.**

FAU FINANCE CORPORATION

Item: 2

BOARD OF DIRECTORS

Wednesday, May 29, 2013

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

PROPOSED BOARD ACTION

Review and recommend approval of the FAUFC 2013-14 Operating Budget; and delegate to the FAUFC Chair, the authority to amend these budgets as appropriate during the fiscal year consistent with Legislative, Board of Trustees' and Board of Governors' directives and guidelines.

BACKGROUND INFORMATION

The FAU Finance Corporation By-laws require the preparation of an annual budget before the beginning of the University's fiscal year, approved by this Board of Directors and recommended by the University President to the Board of Trustees each year no later than sixty (60) days following the beginning of the Corporation's fiscal year. The Board of Trustees must approve the Corporation's budget before it can be enacted.

Supporting Documentation: Proposed 2013-14 FAUFC Operating Budget

Presented by: Dennis Crudele, Executive Director

Phone: 561-297-3267

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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FAU FINANCE CORPORATION

Item: 3

BOARD OF DIRECTORS

Wednesday, May 29, 2013

SUBJECT: FISCAL YEAR 2012-13 PERFORMANCE REPORT ON THE FAU HOUSING SYSTEM, BOCA RATON CAMPUS.

PROPOSED BOARD ACTION

Information Only.

BACKGROUND INFORMATION

As requested by Board Members, a performance report by Capstone-on-Campus Management Services to keep members abreast of operating issues associated with Boca Raton campus housing.

Supporting Documentation: Year End Report on FAU Housing Facilities Operations

Presented by: Mr. Dennis Crudele

Phone: 561-297-3267



YEAR END REPORT - FAU HOUSING FACILITIES OPERATIONS JULY 1, 2012 – MAY 15, 2013

- **PARTNERSHIP**

- July 1, 2011 began the official partnership between FAU and Capstone On-Campus Management

NOTE – for the remainder of this section of the report, ‘Capstone’ will be referred to as ‘Facilities’

- **HUMAN RESOURCES**

- All personnel complete golf cart training prior to driving a cart
- Added the FAU Mission Green sustainability pledge to our new hire packet (FAU website)
 - We have experienced very little staff turnover. Those who have left did so at their own desire (moved out of the area, job closer to home and the like)
 - We hired approximately 15+ students to assist in custodial/maintenance during the summer terms. Enables the student to stay on-campus and work within their class schedule

- **TRAINING & PROFESSIONAL DEVELOPMENT OPPORTUNITIES for FACILITIES STAFF:**

- Capstone On-Campus Management has implemented a standardized training program. There are varying training modules for each position. All classes are computer based and have a time frame in which to complete the courses. Some of the training lessons are: asbestos awareness, blood borne pathogens, customer service, harassment, etc. These training sessions will not supersede any training opportunities that are provided by EH&S. We will continue to work with EH&S. The computer training that we are now offering is in addition to EH&S.
- ACUHO-I – Michelle Smith
- ACUHO – I/APPA – Michelle Smith, Raul Acosta and Greg Washburn
- School Dude Software – Joni Daminato
- AmSan Showcase – Raul Acosta, Ritzi Villatoro and other custodial staff (local)
- Facilities Showcase – All maintenance staff (local)

ALL- STAFF TRAINING OPPORTUNITIES (Residential Life staff included)

- Fire extinguisher/Fire safety
- Blood borne pathogens
- General Office safety
- Single stream recycling
- Customer service

TRAINING CONDUCTED BY THE FACILITIES STAFF FOR THE RESIDENTIAL LIFE STAFF

- Facilities staff conducted various training sessions with the Resident Coordinators. This enables them to become more familiar with the building and can provide assistance while the on-call person is driving to campus.
 - Circuit Breakers
 - Water infiltration/wet vac
 - Plumbing

- *This next section will summarize the projects and accomplishments for all buildings as well as each specific building. This is not an inclusive list, but just highlights of major damages/challenges.*

- **BUILDING OVERVIEWS - ALL BUILDINGS**

NOTE: WE OPENED FRESHMEN BUILDINGS ON 8.15.12 AND UPPERCLASS ON 8.16.12. After having an interdepartmental meeting on how we graded ourselves – we all agreed an overwhelming “A”. That isn’t to say we didn’t have areas that we felt we could improve upon, but we TRULY had a terrific opening that was

definitely a TEAM effort. Facilities had done all the things that needed to be done to offer clean, well operating buildings and Residence Life had done all they needed to provide the welcoming feeling and organization of move-in and the entire Housing, Res Life and Facilities team offered outstanding customer service. Kudos to our department!

- All work orders from July 1, 2012 through May 15, 2013 totaled – 12,914

WORK ORDERS BY MONTH			
Month	Amount	Month	Amount
July 2012	425	January 2013	1605
August 2012	2827	February 2013	1082
September 2012	1162	March 2013	948
October 2012	1442	April 2013	1341
November 2012	935	May 2013	145
December 2012	1002	June 2013	
	TOTAL	====>>	12,914

Note: For the summer months work orders are suspended as most items will be addressed during the turn process. However, emergencies and summer school residents work orders are processed.

- Preparations were made for Tropical Storm Isaac in all buildings. (Although classes were canceled on 8.27.12, the entire Facilities staff reported for work to conduct any clean up. By the end of the day all limbs/debris was discarded and areas looked as if nothing had happened) Issues as a result of water infiltration: IVA had a leak in two units and HPT had a leak in the RC office. We used this event to ensure our readiness for an actual hurricane. We were able to order additional wet-vacs and equipment
 - We documented all equipment (model #s, serial #s, etc) in each building in order to organize a PM (Preventative Maintenance) program
 - To reduce the callouts for on-call staff (thereby reducing payroll costs), we delivered to each area: 2 toilet plungers/2 sink plungers and 2 buckets/bottles of disinfectant
 - **KUDOS to Tim Raczek (maintenance). Tim contacted a door company for an electronic panic bar part. Company said that the part cannot be repaired and a whole new panic bar system would have to be purchased (approx. cost \$2800). Tim asked if they could just send us the part anyway, they did – Tim has repaired the part (cost \$25). Great catch Tim and nice savings too!** (Note: the door has been checked repeatedly to ensure that there isn't a problem with it since the repair, none have been seen)
 - We are diligent in notifying FAU Grounds of any areas we see throughout campus that need addressing such as concrete decay, trip hazards, exposed piping or valves, so they can be repaired without any accidents or incidents. We view ourselves as another set of eyes
 - Updated equipment inventory through FAU Physical plant, this hadn't been done in a few years
 - Verified all elevator emergency phones were operational and dispatched to FAU PD; any/all repairs that were needed were completed within two days
 - Installed automatic light timers in all custodial and maintenance areas
- **ALGONQUIN (ALG)**
 - Leaking windows continue to be a problem. This is a 'patch as you go' repair, until we have a confirmed decision on this building within the next few years
 - **GLADES PARK TOWERS (GPT)**
 - Continuous HVAC issues – replaced condenser coils

- Experienced significant numbers of water leaks in the upper floors. All windows re-caulked prior to rainy season
- When caulking windows it was noticed that there were some areas of decay near expansion joints. These areas were repaired while the lift was onsite thus a reduction in costs
- **HERITAGE PARK TOWERS (HPT)**
 - On 8.6.12 there was a flood on floors 1-3 of the north tower. This was due to a sprinkler pipe in the wall breaking. Repaired within 24 hours
- **INDIAN RIVER TOWERS (IRT)**
 - Pressure gauge was installed on the compactor. By installing this we reaped a small savings. This gauge notified us when the compactor was 80% full in order to schedule a pick up. Previously we were having pick-ups based on a set schedule; many times the compactor was not full
 - Generator went out for repairs in January; returned in March
- **UNIVERSITY VILLAGE APARTMENTS (UVA)**
 - Damage to the fire panel in Bldg 56 from a storm on 8.18.12
 - A case of bedbugs was reported. We immediately worked with our Pest Control Service and had the bedroom back on line within 3 days. (Takes one treatment per day for 3 days). As of this report, no longer any bug activity in this room
 - On 4.8.13 we received the inspection report from the Fire Marshal via Taff Geleta (EH&S). Any and all deficiencies were rectified within two business days. Primary issues were items INSIDE the apartments; areas we do not go into unless a work order has been placed. However, due to the fire marshal's report we were permitted to repair as it was a life safety concern
- **BUSINESS AND PROFESSIONAL WOMEN (BPW)**
 - All old furniture was given to FAU Physical Plant to dispose of
- **INNOVATION VILLAGE APARTMENTS (IVA)**
 - Distributed Antenna System (DAS) was installed and has greatly reduced cell phone issues
 - Post construction projects completed - sidewalks in courtyard, fencing along E. University, expansion of bike parking and dumpster enclosure
 - Some additional projects are still being worked on – passive green area
 - Condensation issue with the microwaves in IVAS. Per recommendations of contractor we removed door sweeps in units to create positive air flow between hallway and the inside of the apartment. We ordered 50 new microwaves and an updated air balance test to prepare these units for move-in. Haven't had any issues with these units when the building is occupied
 - Damage to fire panel in IVAS due to lightning on 8.18.12
 - Sinkhole occurred in the west parking lot of IVA. It was repaired within one week of notification
- **BT 646 – NEW BUILDING -- PARLIAMENT HALL**
 - Construction is on schedule. Should be 'turned over' to Housing on 7.20.13
 - We have had personnel participate in all meetings to offer suggestions/needs/ideas (Michelle Smith and Greg Washburn – Maintenance Supervisor and other personnel based on specialty)
 - Equipment/Furniture/computers and other necessary equipment is being ordered now
 - Working with various departments on campus and with contractor to ensure all tasks are addressed
 - On schedule to be a solid LEED SILVER building, although we are still trying for Gold



• **GREEN INITIATIVES**

- Approximately 25 mature trees were moved from the construction location of the new building to IRT
- Purchased recycling bags for all apartments – one per apartment. This will allow residents to carry recyclable materials to recycle bins
- Working bicycles that were left by students will be painted and placed around campus for general student or staff use
- At move-out we had donation bins located in each building for local organizations
- Energy conservation contest in November; Water conservation contest in April
 - Provided shower caddy timers to each room in the freshmen buildings
- Added the FAU Mission Green sustainability pledge to our new hire packet (from FAU website)
- Facilities staff were directly involved in the university Sustainability committee
 - All staff participated in the Green market opportunities
 - All staff participated in the campus clean-up day
- Met with Waste Management and other departments on campus to begin implementing additional measures to increase our recycling efforts while reducing our trash output. Improvement has been seen across campus by diverting over 17.5 tons of waste in the first three months (campus wide)
- Created bins for spray paint cans, batteries and toner/ink cartridges. These will be delivered to EH&S once per month
- Installed hydro filling stations in all buildings. This reduces bottles in the trash/landfill



be

NUMBER OF PLASTIC BOTTLES DIVERTED FROM LANDFILL			
Building	4/19/2013	4/30/2013	TOTAL AS OF 5/15/2013
HPT lobby	2115	3808	4507
GPT lobby	30469	34259	35429
IRT lobby	344	1450	1883
ALG Outside	337	609	953
ALG North 1st floor	57	124	237
UVA	397	705	978
IVAN	6871	8020	8480
IVAS	7228	8951	10118
ADM	3892	4326	4804
IRT	0	0	
Total for month	51,710	62,252	67,389
Difference from previous month/Diverted from landfill			
		10,542	5,137

• **AWARDS/PROGRAMS**

- Innovation Village Apartments received LEED GOLD certification.
CONGRATULATIONS TO ALL INVOLVED!
- Tim Raczek received the Support Staff Member of the Year award. This is a departmental award, nominated and decided upon by the Residence Life staff. Tim is the first member of Facilities to receive this award in at least the past six years (records do not go back any further)

- Tammy Redding, David West, Jim Swartzell, Tim Raczek, Rodney Faulk, Gilberte Magny, Mercedes Quiles and Robin Charles all received kind notes from residents and staff about their performance and ‘going above and beyond’ throughout the year
- FAU expanded the Green Wave program this year and instituted a points system. It was a self-evaluation that was then graded by the sustainability committee. *Housing received a GOLD certificate for their efforts.* We will make platinum next year
- Michelle Smith submitted programs to ACUHO-I and ACUHO-I/APPA. As of this report one program has been selected as an alternate for ACUHO-I and no word yet for APPA
- We participated in the Capstone On-Campus Management company-wide green initiatives program called GreenStone. It is based on the various opportunities to ‘be green’ as well as points for innovative ideas – it follows the USGBC LEED points system. *Florida Atlantic University Housing Facilities received Platinum Certification.* We improved over last year when we received gold certification
- Michelle Smith renewed her LEED Green Associate certification

- **FUTURE GOALS**

- Continue to find ways to reduce costs and improve overall performance and excellence in the delivery of well working, and aesthetically pleasing buildings to our residents
- Continue to improve and increase opportunities for staff in areas of training and professional development
- Continue to improve and increase opportunities for Housing, as a whole, to reduce the carbon footprint as well as to continue to review ways to reduce, reuse and recycle
- Continue to improve our usage and reporting through the School Dude software
 - We are currently working with School Dude to enable the residents to input their own work orders. Currently they inform the area office staff member on duty. By changing this system it would alleviate potential miscommunications between the resident and the Residential Life staff
- Implement the School Dude Utilities Direct or Inventory Direct modules
- Solidify our ratings in the Green Wave and the GreenStone program by achieving Platinum next year

- **PROJECTS FOR 2013**

(This is not an inclusive list)

- **ALGONQUIN (ALG)**
 - Replace blinds
- **GLADES PARK TOWERS (GPT)**
 - Replace desk chairs/mattresses
 - Replace all smoke detectors
 - Replace thermostats
 - Blygold HVAC system
 - Replace hallway carpet
 - Replace flooring in specific rooms
- **HERITAGE PARK TOWERS (HPT)**
 - Replace some desk chairs/mattresses
 - Replace all smoke detectors
 - Replace thermostats
 - Blygold HVAC system
 - Upgrade landscaping
- **INDIAN RIVER TOWERS (IRT)**
 - Replace a specific number of desk chairs/mattresses
 - Replace all smoke detectors
 - Replace thermostats
 - Blygold HVAC system

- Replace some bedroom furniture
- Upgrade landscaping
- **UNIVERSITY VILLAGE APARTMENTS (UVA)**
 - Replace some desk chairs/mattresses
 - Replace all smoke detectors
 - Replace thermostats
 - Replace blinds
 - Replace refrigerators
 - Replace stoves/range hoods
 - Repair elevated walkway (annual repairs)
 - Note- we are working with FAU EH&S as they have requested an upgrade of the fire notification system – this is under review
- **BUSINESS & PROFESSIONAL WOMEN (BPW)**
 - Replace toilets with water saving units
- **ADMINISTRATION (BLDG 46)**
 - Upgrade landscaping
 - Repair glass block walls - leaking
- **SOME OF THE PROJECTS COMPLETED IN 2012**
(Last year we discussed the projects that were scheduled. Below summarizes the work and provides some visuals of the improvements)

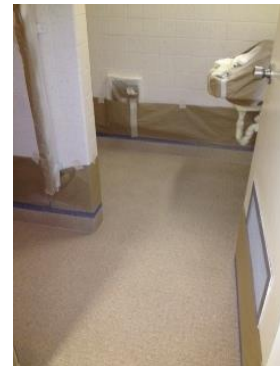
- **ALGONQUIN (ALG)**
 - FAU will continue with the work to stabilize the vault (tunnels) underground
 - Summer Project(s) completed by 6/28/12
 - Renovation of bathrooms



Miracle Method Process in Algonquin bathrooms

←Before

During →



- HVAC repairs (blygold) of all Air handling units; provides longer life of equipment



No rust on the unit; extends life of the Equipment; 5 year warranty

- **GLADES PARK TOWERS (GPT)**
 - Summer Project(s) completed by 6/28/12:
 - HVAC repairs and/or replacement of Air handling units; provides longer life of equipment
- **HERITAGE PARK TOWERS (HPT)**
 - Project(s) completed by 6/28:
 - HVAC repairs of Air handling units; provides longer life of equipment
 - Energy control system upgrade
- **INDIAN RIVER TOWERS (IRT)**
 - New flooring installed in elevator– done in-house by Sheryl Chamberlin



(Before)



(After)

- Project(s) completed by 6.28.12:
 - HVAC repairs of all Air handling units; provides longer life of equipment
 - Replace sand in volleyball court
 - Furniture for study lounges, classroom and patios will be replaced
 - Fire pump upgrade
- **UNIVERSITY VILLAGE APARTMENTS (UVA)**
 - Project(s) completed by 6.28.12:
 - Seal all AC mechanical closets – they have been leaking into bathrooms in student units; preventative for longer life of building
 - Per a managed program that was started a few years ago the walkway will undergo repairs to alleviate cracks and disintegrating concrete. Paulo Brida is the PM on this project and has been over the life of this specific project
 - Replace bathroom sink countertop



(Before)



(After)

- Replace kitchen countertops, sinks, faucets
 - *We were very pleased with this as we were able to get granite countertops for comparable price of Formica*
- Replace kitchen flooring
 - Moved to a product that doesn't require stripping/waxing each year; thus we will see savings over time in interior cleaning costs



←(Before)



- Parking lot repairs
 - Paint all units
 - HVAC repairs of all Air handling units; provides longer life of equipment
 - Replace sand in volleyball court
- **BUSINESS AND PROFESSIONAL WOMEN (BPW)**
 - Project(s) completed by 6.28.12:
 - Replace bedroom furniture
 - Energy control system upgrade
 - Furniture in lounge
 - Kitchen countertop replaced
 - All units painted

Respectfully submitted by:

Michelle R. Smith, ARM, LEED Green Associate
Director of Operations
FAU Housing

Regional Vice President
Capstone On-Campus Management