

FLORIDA ATLANTIC UNIVERSITY 2005-2006 UNIVERSITY OPERATING BUDGET JULY 1, 2005 TO DECEMBER 31, 2005 SECOND QUARTER REPORT

- *Educational and General Operating Budget*
- *Student Financial Aid Operating Budget*
- *Grants and Contracts-Sponsored Research Operating Budget*
- *Auxiliary Enterprises Operating Budget*
- *Athletics Local Operating Budget*
- *Student Government-Student Activities Operating Budget*
- *Concessions Operating Budget*

THE EDUCATIONAL AND GENERAL BUDGET

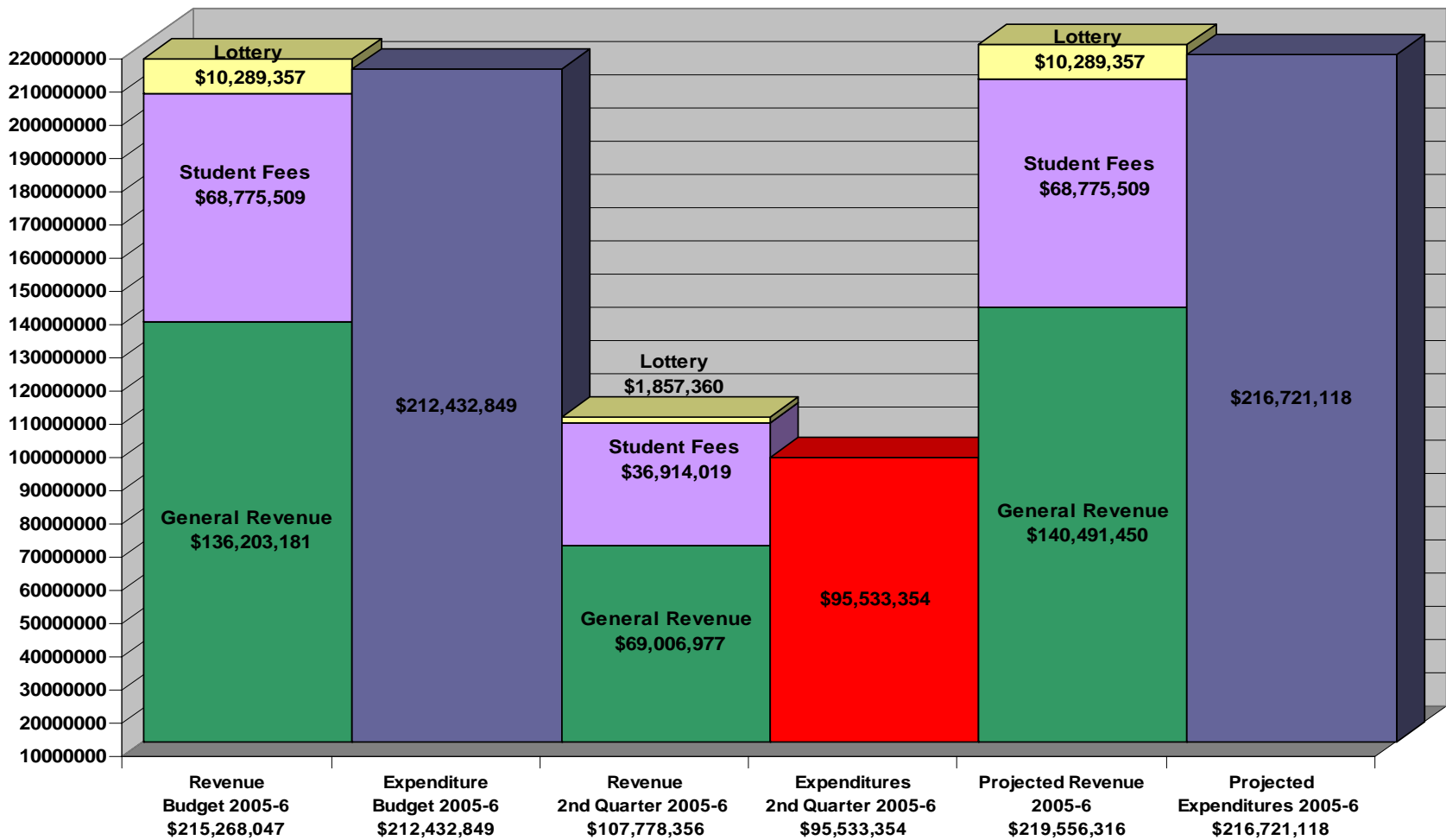
The Educational and General budget includes expenditures for instruction, research, library and learning resources, student services, plant operations and maintenance and administrative support. The budget is funded by:

General Revenue, consisting primarily of State of Florida sales tax collections and corporate income tax collections, as well as license fees and other taxes and operating receipts.

Education Enhancement Trust Fund, consisting of collections from the sale of Florida lottery tickets. At least 38 percent of total lottery collections is dedicated to the trust fund.

Student Fee Trust Fund, consisting primarily of matriculation fees and tuition (out-of-state fees) paid by students, as well as other fees such as application and late registration fees.

Florida Atlantic University Educational and General Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Educational and General Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$215,268,047

Actual Revenues to December 31: \$107,778,356

Budgeted Expenses 2005-06: \$212,432,849

Actual Expenses to December 31: \$95,533,354

The total budgeted revenue for 2005-2006 is \$215,268,047. The major revenue components are general revenue (\$136,203,181), student fees (\$68,775,509), and lottery funding (\$10,289,357).

For the second quarter, actual revenue collections are general revenue of \$69,006,977, student fees of \$36,914,019 and lottery funding of \$1,857,360, for total revenue of \$107,778,356.

The total expense budget 2005-2006 is \$212,432,849. This amount does not reflect the \$2,835,198 BOG adjustment of student fees held in unallocated reserve.

Both the Revenue Budget and the Expense Budget are being adjusted to reflect the following BOG amendments: (\$387,070) Risk Management/Casualty Risk Insurance and \$4,675,339 for salary increases of 3.6 percent for all eligible employees on August 1, 2005.

Total expenditures through December 31 were \$95,533,354, or approximately 44 percent of the total projected budget amount. Total expenditures are slightly below the spending rate of the previous year – 43.51 percent compared to 46.04 percent in 2004-05. This is primarily due to reductions in expense categories.

Educational and General Operating Budget

Analysis:

General Revenue collections are projected to reach their targeted amounts. The November 15, 2005 State Revenue Estimating Conference added \$3.2 billion dollars to its forecast of General Revenue collections for this year and next. Estimated collections for fiscal year 2005-06 were raised by \$1.7 billion. This forecast reflects the belief that the current real estate boom is cresting and will slowly return to a more sustainable growth pattern. Sales Tax collections are strengthened by the growth in population, hurricane reconstruction and higher business investments. Documentary Stamp Tax collections are still high and the continued economic strength of Florida will increase Corporate Income Tax collections.

Student fee collections and student enrollments are being carefully monitored. Based on summer final, fall final and spring estimated enrollments, overall targets will be achieved but the margin is less than one-half of one percent. It is projected that lower level FTE will exceed targets while upper level and graduate FTE will fall below targets. Out-of-state enrollments continue to be weak at FAU and system-wide. Florida residents account for 94 percent of FAU's Fall 2005 students enrolling up from 92 percent in Fall 2003. We are projecting that there will be a slight shortfall of approximately \$600,000 which can be covered by fund balances from under-spending in 2004-05.

Lottery revenue is projected to be fully achieved.

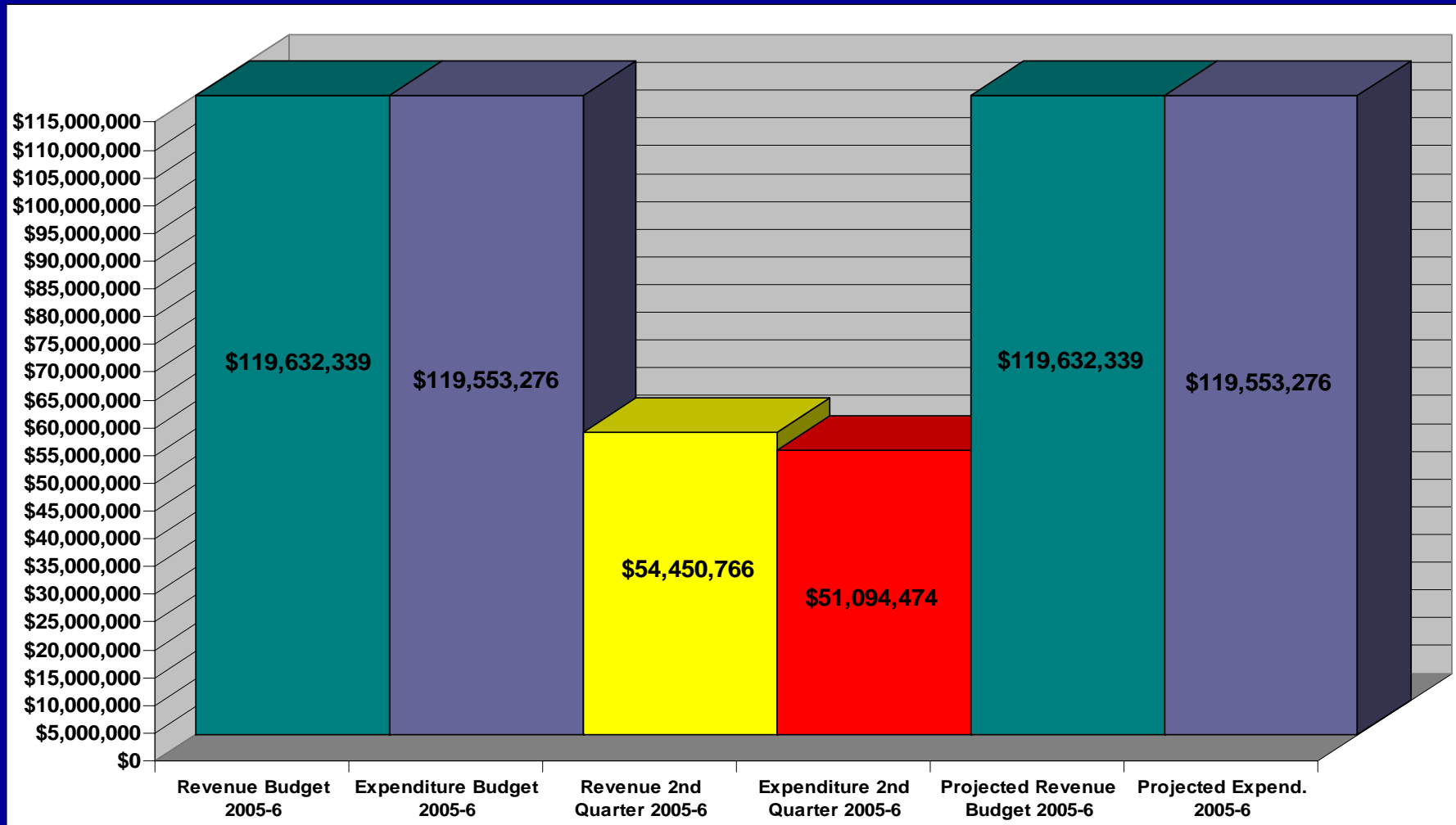
THE STUDENT FINANCIAL AID BUDGET

The Student Financial Aid budget largely represents scholarship and loan funds that are received by the University and subsequently disbursed to students. Included in the budget are funding from student financial aid fees as well as financial aid support from all sources such as federal financial aid awards (Pell, Student Educational Opportunity Grants, Perkins Loans, Stafford Loans), state financial aid awards (Bright Futures, Florida Assistance Grants), Institutional Programs (Presidential Awards, MLK Scholarships) and Private Scholarships (FAU Foundation).

Student financial aid fees are established by the legislature. Current per-credit hour financial aid fees for 2005-06:

\$ 3.57	Undergraduate In-State
\$24.41	Undergraduate Out-of-State
\$10.02	Graduate In-State
\$41.89	Graduate Out-of-State

Florida Atlantic University Student Financial Aid Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Student Financial Aid Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$119,632,339

Actual Revenues to December 31: \$54,450,766

Budgeted Expenses 2005-06: \$119,553,276

Actual Expenses to December 31: \$51,094,474

The total budgeted revenue for 2005-2006 is \$119,632,339. As of December 31, 2005, \$54,450,766 in revenue has been generated, or approximately 46 percent the total revenue budget. Total projected expenditures for the year are \$119,553,276. As of December 31, 2005, \$51,094,474 has been expended, or approximately 43 percent of total projected expenditures for the year.

Analysis:

The amount of expenditures to date for 2005-06 are slightly less than the percentage spent in the prior year (42.74 percent for 2005-06 compared to 44.46 percent for 2004-05). Revenue and expenditures are believed to be on target with projections.

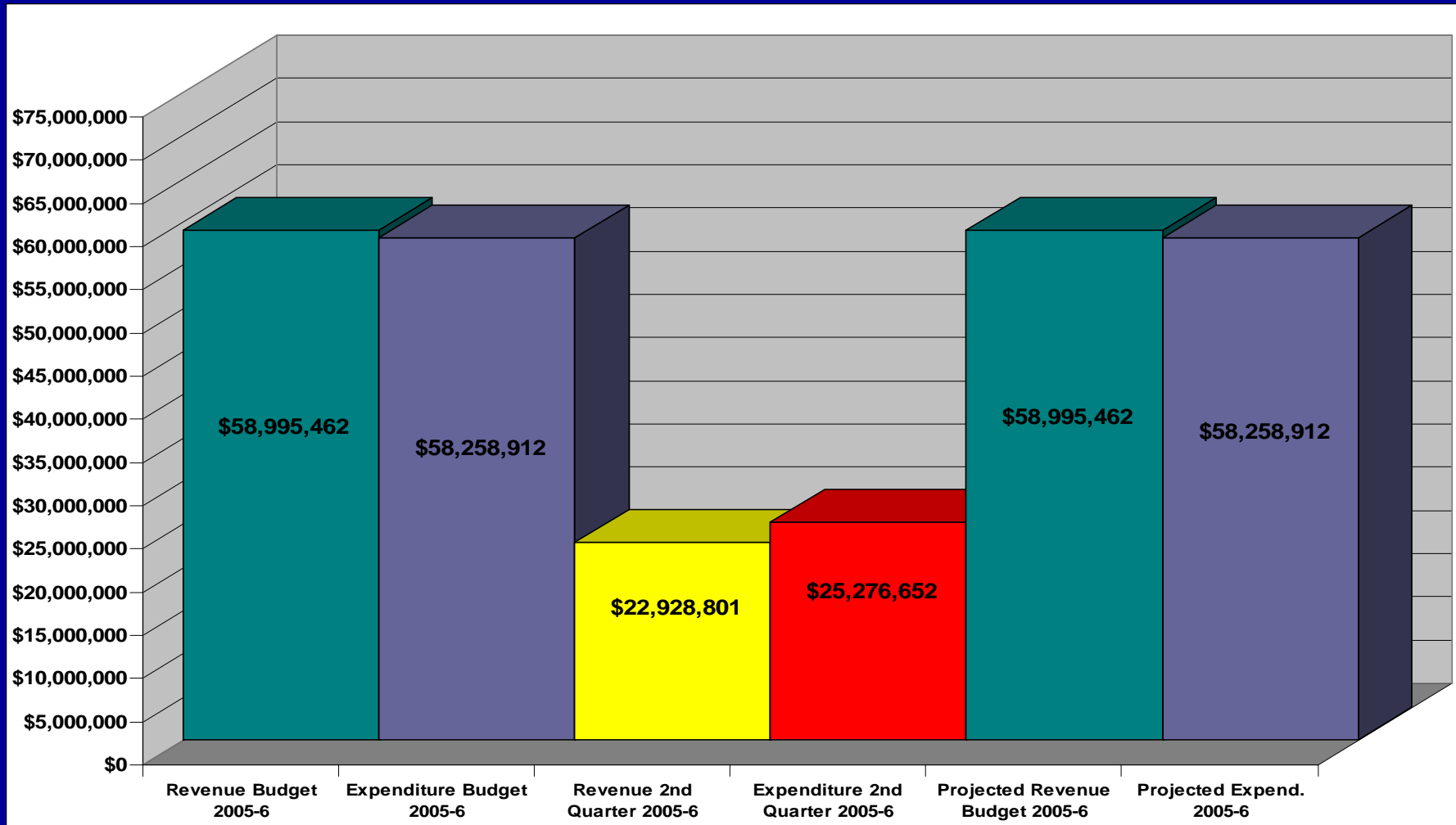
THE GRANTS AND CONTRACTS BUDGET

The Grants and Contracts budget consists of funding from federal agencies, state agencies, foundations and private sources that enables the University to conduct specific research projects or to provide specific services.

Expenditures for the Division of Sponsored Research, the A.D. Henderson University School and the Florida Atlantic University Foundation (payroll and clearing account) are included in the Grants & Contracts budget.

The Division of Sponsored Research assists faculty and students with the submission of hundreds of grant applications each year; however, not every grant application culminates in an award.

Florida Atlantic University Grants and Contracts Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Grants and Contracts Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$58,995,462

Actual Revenues to December 31: \$22,928,801

Budgeted Expenses 2005-06: \$58,258,912

Actual Expenses to December 31: \$25,276,652

The total budgeted revenue for 2005-2006 is \$58,995,462 and budgeted expenses are \$58,258,912. As of December 31, 2005, \$22,928,801 in revenue has been generated, approximately 39 percent of the budgeted amount. \$25,276,652 has been expended, or approximately 43 percent of the total expenditure budget.

Of total expenditures to date, salaries and benefits total \$10,452,917 (41 percent of total expenditures); OPS of \$4,287,945 (17 percent); and expense of \$10,535,790 (42 percent).

Analysis:

Total expenditures to date are above last year's by \$4,539,158, an increase of approximately 22 percent. Cash expenditures have exceeded cash receipts by \$2.3 million, which has been covered by available cash balances in the Grants and Contracts budget. This is a temporary phenomenon due to delayed collections of several large grants. For example, the U. S. Department of Transportation has been billed \$1,052,000 which is over 60 days outstanding. Under the terms of many grants, expenditures proceed the collection of off-setting revenues. The cash flows of the Division of Sponsored Research are being carefully monitored. FAU has had a steady increase in grant submissions and this has led to an increase in both revenues and expenditures. Revenue is not earned evenly over the course of the fiscal year. For example, two of the primary sources of award funds, National Institute of Health and National Science Foundation, make their award announcements in November and April.

THE AUXILIARY ENTERPRISES BUDGET

The Auxiliary Enterprises budget includes activities that support the instructional, research and service objectives of the University. Auxiliary enterprise operations are self-supporting and must generate adequate revenue to cover expenditures and to allow for future renovations and building or equipment replacement. Some auxiliaries are partially funded by student fees, including Student Health Center through the student health fee (\$5.00 per-credit hour) and Traffic and Parking through the transportation access fee.

The major auxiliary areas are:

Food Service

Housing

Bookstore

Printing/Duplicating

Telecommunications

University Theatre

Postal Services

Student Health Center

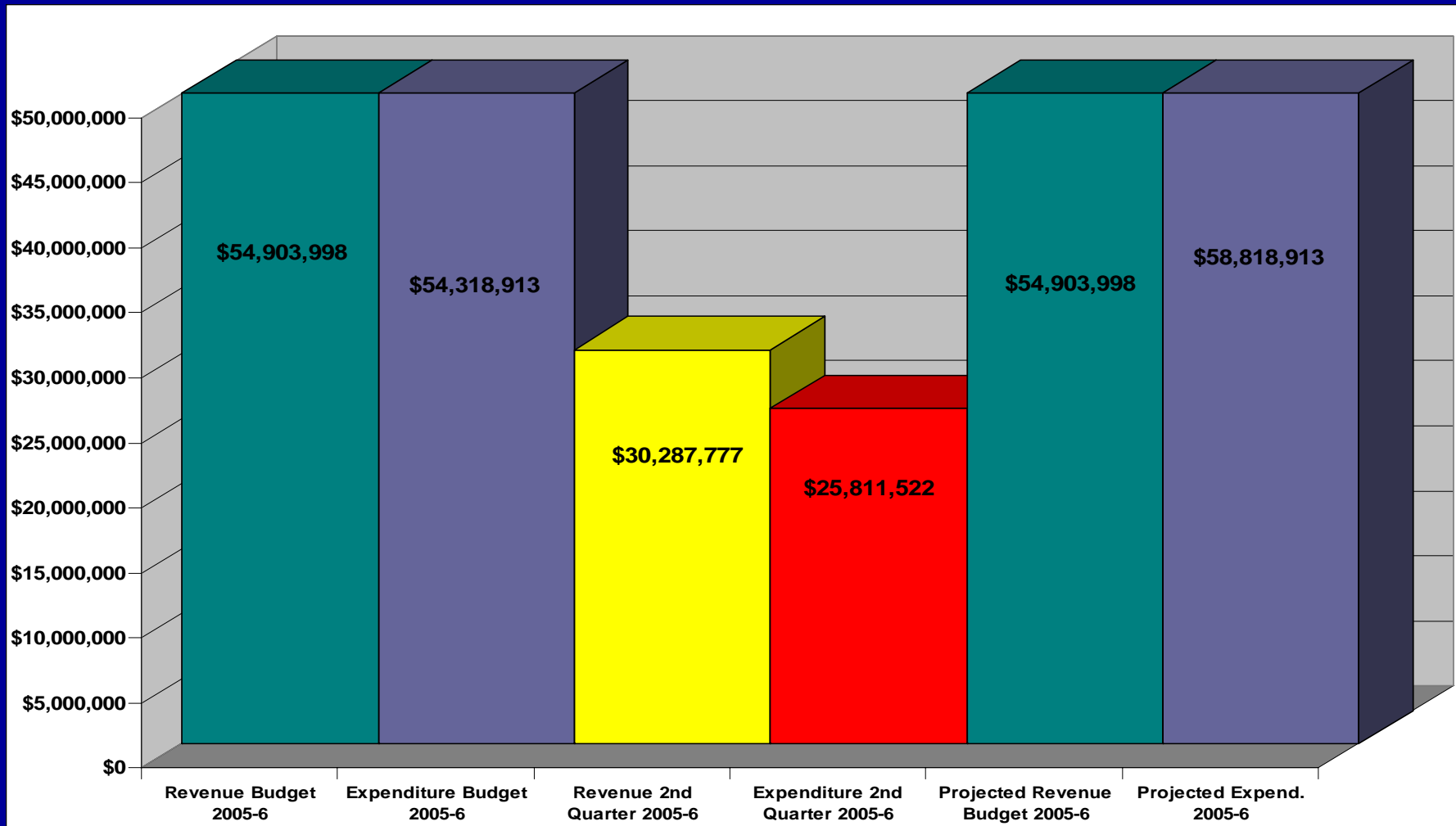
Traffic and Parking

University Center

College Continuing Education

Lifelong Learning Society

Florida Atlantic University Auxiliary Enterprises Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Auxiliary Enterprises Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$54,903,998 Actual Revenues to December 31: \$30,287,777

Budgeted Expenses 2005-06: \$54,318,913 Actual Expenses to December 31: \$25,811,522

The total budgeted revenue for 2005-2006 is \$54,903,998. As of December 31, 2005, \$30,287,777 in revenue has been generated, or approximately 55 percent of the total budget. Total projected expenditures for the year are \$54,318,913. As of December 31, 2005, \$25,811,522 has been expended, or approximately 48 percent of total projected expenditures for the year.

Analysis:

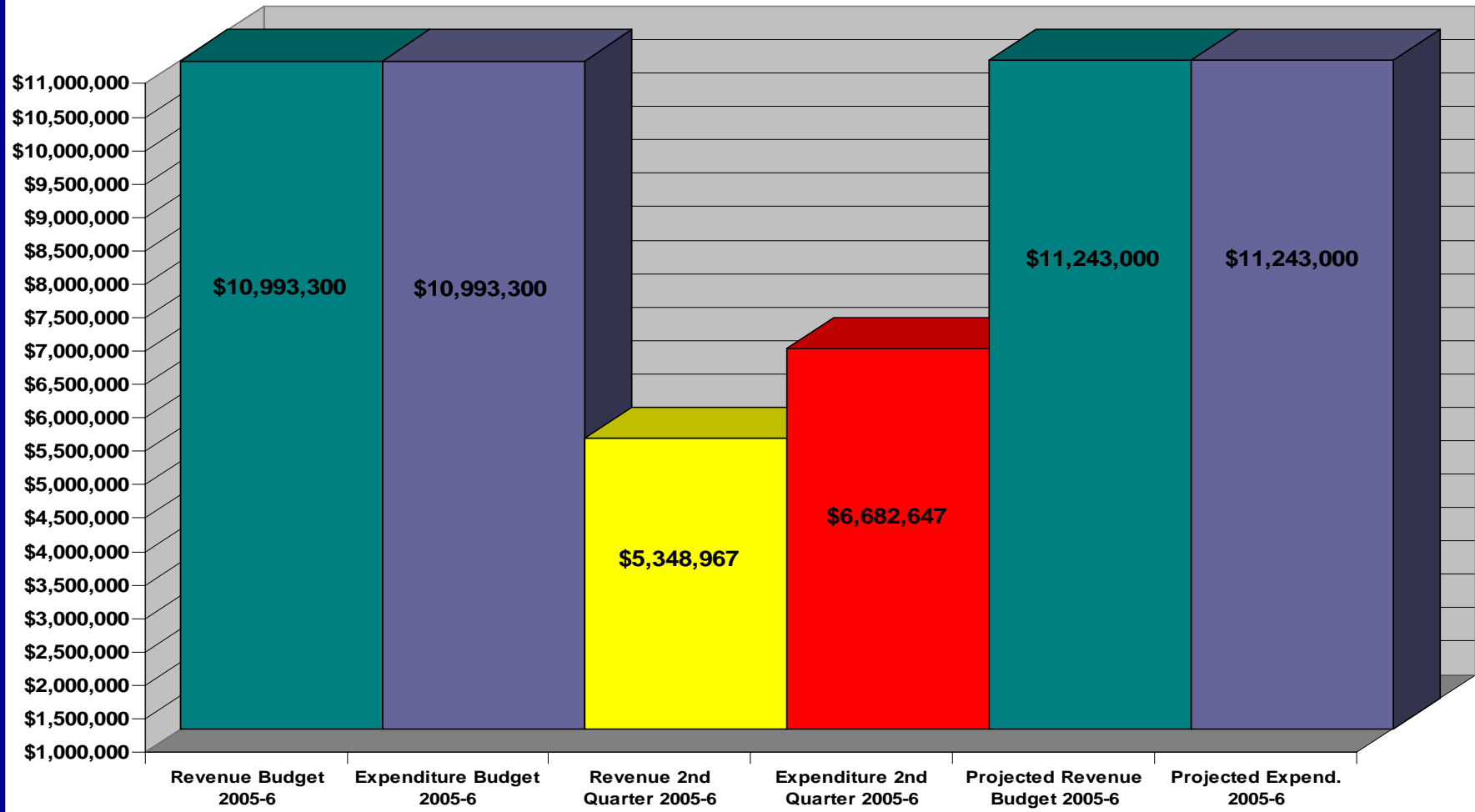
The expenditures to date for 2005-06 are slightly less than the percentage spent in the prior year (43.88 percent for 2005-06 compared to 46.87 percent for 2004-05). Revenues and expenditures for the year are believed to be on target with projections.

THE ATHLETICS LOCAL OPERATING BUDGET

The Athletics Local Operating Budget supports the University's student athletics program. Funding is generated from student athletics fees (\$13.75 per-credit hour) as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support.

In addition to the Local Operating Budget, FAU Athletics receives \$246,000 in State Educational and General Title IX Gender Equity funding and \$1,077,815 in out-of-state waiver authority and financial aid.

Florida Atlantic University Athletics Local Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Athletics Local Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$10,993,300

Actual Revenues to December 31: \$5,348,967

Budgeted Expenses 2005-06: \$10,993,300

Actual Expenses to December 31: \$6,682,647

The total budgeted revenue for 2005-2006 is \$10,993,300. The major revenue components are athletics fees (\$7,927,000), ticket sales (\$327,000), game guarantees (\$1,290,000), NCAA/Conference distribution (\$415,000) corporate partners (\$280,000), and corporate sales (\$282,000), and development (\$360,000).

Of these major revenue components, actual collections were athletics fees of \$3,631,806, ticket sales of \$295,036, game guarantees of \$809,500, corporate sales of \$55,500, NCAA/Conference distributions of \$424,065 and Development of \$110,029.

The total expense budget for 2005-2006 is \$10,993,300. Payroll of \$4,349,249, program operating expenses of \$3,711,697, and scholarships of \$2,932,354 account for this total. Total expenditures through December 31, 2005 were \$6,682,647, or approximately 60.8 percent of the total budgeted amount. Of total expenditures to date, 24 percent (\$1,624,669) were financial aid and 34 percent (\$2,270,976) were payroll.

Athletics Local Operating Budget

July 1, 2005 to December 31, 2005

Analysis:

Athletic Fee collections are projected to reach their targeted amounts and these are being closely monitored.

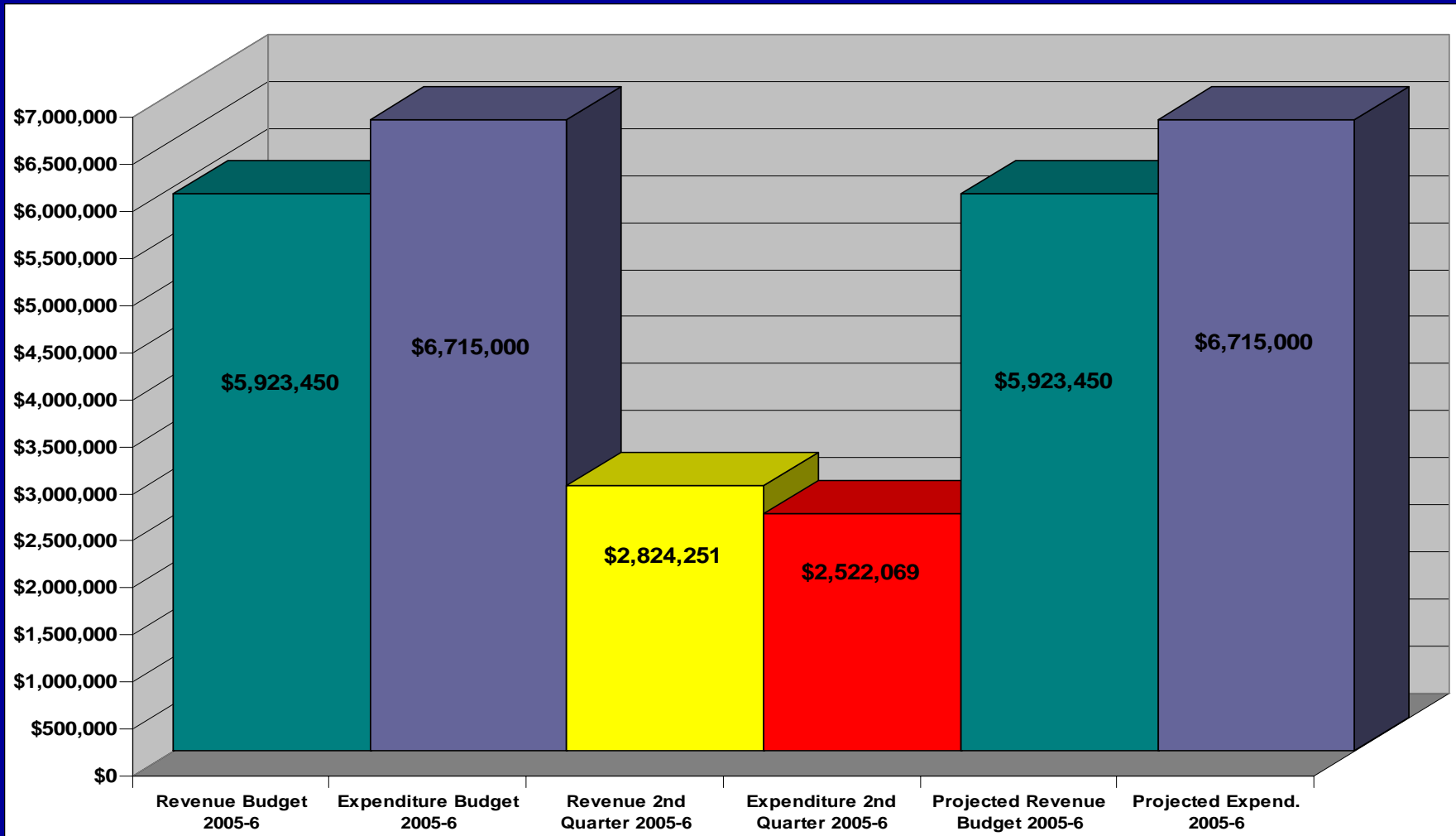
Ticket revenues, including corporate purchase of football tickets, are expected to exceed the target. Total revenues do not reflect the \$180,000 in Pepsi and \$100,000 in Bank Atlantic corporate partner revenues that will be received. NCAA/Conference distributions have already exceeded their estimates. Corporate sales need to be closely monitored to ensure targets are achieved. Development revenue needs to be monitored but is expected to reach target. Game guarantee revenues are expected to be achieved. Expenses for the second half of the year need to be carefully monitored by the Athletics department.

Athletics requested a budget amendment of \$249,700 in revenue and expenditures last quarter, which was approved. This amount was necessary to cover unbudgeted expenses that will be fully covered by sponsored revenues. Examples of these are \$140,000 for televised football games sponsored by ADT; \$15,000 in advertising sponsored by USP; and \$10,000 in tent rentals sponsored by Great Tents. Monthly meetings are taking place to monitor revenues and expenditures of Athletics and an athletics workshop is scheduled for February 8, 2006.

THE STUDENT GOVERNMENT- STUDENT ACTIVITIES BUDGET

The Student Government-Student Activities budget supports student activities such as student government and student clubs and organizations. Also included in the budget are expenditures for the University Center and campus recreation and student wellness activities. The Student Government budget is funded primarily through the Activity and Service fee paid by students (\$10 per-credit hour) as well as other types of service fees.

Florida Atlantic University Student Government – Student Activities Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Student Government- Student Activities Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$5,923,450

Actual Revenues to December 31: \$2,824,251

Budgeted Expenses 2005-06: \$6,715,000

Actual Expenses to December 31: \$2,522,069

The total budgeted revenue for 2005-2006 is \$5,923,450. As of December 31, 2005, \$2,824,251 in revenue has been generated, or approximately 48 percent of the total projected revenue budget. These funds have been generated primarily by Activity and Service fees. Total projected expenditures for the year are estimated at \$6,715,000. To date, \$2,522,069 has been expended, or approximately 38 percent of total projected expenditures for the year.

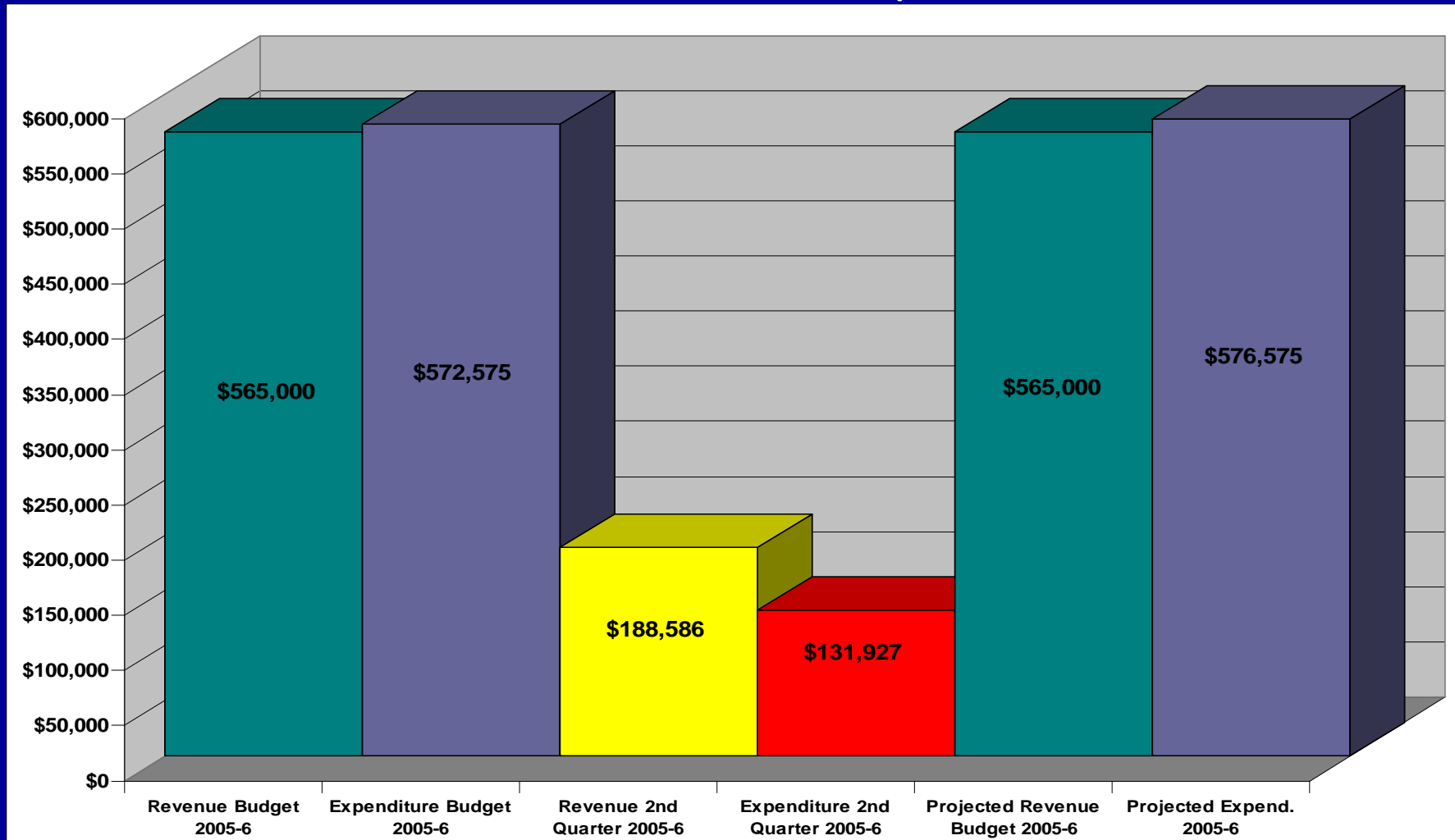
Analysis:

The expenditures to date for 2005-06 are lower than the percentage spent in the prior year (38 percent for 2005-06 compared to 49 percent for 2004-05). Although projected expenditures for the year exceed revenues by \$791,550, the available cash balances will support this level of expenditure.

THE CONCESSIONS BUDGET

The Concessions Budget consists of funds from concession operations such as soft drink and snack vending machines. Expenditures from these funds support the academic mission of the University.

Florida Atlantic University Concessions Operating Budget July 1, 2005 – December 31, 2005 Second Quarter Report



Concessions Operating Budget

July 1, 2005 to December 31, 2005

Budgeted Revenues 2005-06: \$565,000

Actual Revenues to December 31: \$188,586

Budgeted Expenses 2005-06: \$572,575

Actual Expenses to December 31: \$131,927

The total budgeted revenue for 2005-2006 is \$565,000. As of December 31, 2005, \$188,586 has been received, or approximately 33.4 percent of the revenue budget, and \$131,927 has been expended, or approximately 23 percent of the total expenditure budget.

Analysis:

The amount of expenditures to date for 2005-06 is less than in the prior year (\$131,927 v. \$234,332). Revenues and expenditures for the year are believed to be on target with projections.

FLORIDA ATLANTIC UNIVERSITY OPERATING BUDGET STATUS AS OF December 31, 2005 SUMMARY COMPARISONS

- *Year-to-Date Expenditures for Fiscal Year 2005-06*
- *Year-to-Date Expenditures for Fiscal Year 2004-05*

- *Year-to-Date Student Credit Hours for Fiscal Year 2005-06*
- *Year-to-Date Student Credit Hours for Fiscal Year 2004-05*

- *Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2005-06*
- *Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2004-05*

- *Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2005-06*
- *Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2004-05*

**FLORIDA ATLANTIC UNIVERSITY
OPERATING BUDGET STATUS
AS OF DECEMBER 31, 2005**

	YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2005-06					YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2004-05				
	Operating Expenditures	Operating Budget	Remainder	% of Budget Spent	Cash & Investments	Operating Expenditures	Operating Budget	Remainder	% of Budget Spent	
Educational & General	\$ 95,533,354	\$ 219,556,316	\$ 124,022,962	43.51%	\$ 8,589,117	\$ 93,702,560	\$ 203,504,317	\$ 109,801,757	46.04%	
Student Financial Aid	\$ 51,094,474	119,553,276	68,458,802	42.74%	4,563,963	\$ 46,769,068	105,185,251	58,416,183	44.46%	
Sponsored Research / other Grants	\$ 25,276,652	58,258,912	32,982,260	43.39%	597,829	\$ 20,737,494	67,382,448	46,644,954	30.78%	
Auxiliary Enterprises	\$ 25,811,522	58,818,913	33,007,391	43.88%	29,558,359	\$ 21,027,108	44,858,145	23,831,037	46.87%	
Athletics	\$ 6,682,647	11,243,000	4,560,353	59.44%	(1,052,244)	\$ 6,190,095	10,123,000	3,932,905	61.15%	
Student Activities	\$ 2,522,069	6,715,000	4,192,931	37.56%	2,458,039	\$ 2,391,731	4,917,258	2,525,527	48.64%	
Concessions	\$ 131,927	576,575	444,648	22.88%	317,619	\$ 234,332	325,575	91,243	71.97%	
Total	\$ 207,052,646	\$ 474,721,992	\$ 267,669,346	43.62%	\$ 45,032,682	\$ 191,052,388	\$ 436,295,994	\$ 245,243,606	43.79%	

STUDENT CREDIT HOURS

Semester	FISCAL YEAR 2005-06 AS OF 9/30/2005				FISCAL YEAR 2004-05			
	Actual	Budget	Difference	% Variance	Actual	Budget	Difference	% Variance
Summer	94,070	96,519	(2,449)	-2.54%	94,014	94,867	(853)	-0.90%
Fall	247,493	243,114	4,379	1.80%	242,693	236,020	6,673	2.83%
Spring (estimate)	226,058	225,247	811	0.36%	227,706	222,352	5,354	2.41%
Total	567,621	564,880	2,741	0.49%	564,413	553,239	11,174	2.02%

**FLORIDA ATLANTIC UNIVERSITY
OPERATING BUDGET STATUS
EXPENDITURES BY CATEGORY AS OF DECEMBER 31, 2005**

EXPENDITURES BY ACTIVITY - DOLLAR AMOUNTS

	YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2005-06				YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2004-05			
	Salaries & Benefits	OPS	Expense / Other	Total	Salaries & Benefits	OPS	Expense / Other	Total
Educational & General	\$ 64,784,537	\$ 8,823,093	\$ 21,925,724	\$ 95,533,354	\$ 63,344,819	\$ 8,361,855	\$ 21,995,886	\$ 93,702,560
Student Financial Aid	161,810	252,586	50,680,079	51,094,474	150,418	328,399	46,290,251	46,769,068
Sponsored Research / other Grants	10,452,917	4,287,945	10,535,790	25,276,652	9,510,477	3,917,359	7,309,658	20,737,494
Auxiliary Enterprises	5,504,785	1,866,724	18,440,013	25,811,522	5,397,433	1,687,508	13,942,167	21,027,108
Athletics	2,088,834	182,142	4,411,671	6,682,647	1,805,814	221,274	4,163,007	6,190,095
Student Activities	95,622	472,457	1,953,990	2,522,069	61,003	456,937	1,873,791	2,391,731
Concessions	-	-	131,927	131,927	-	-	234,332	234,332
Total	\$ 83,088,505	\$ 15,884,947	\$ 108,079,194	\$ 207,052,646	\$ 80,269,964	\$ 14,973,332	\$ 95,809,092	\$ 191,052,388

EXPENDITURES BY ACTIVITY - PERCENT OF TOTAL

	FISCAL YEAR 2005-06 AS OF 12/31/2005				FISCAL YEAR 2004-2005 AS OF 12/31/2004			
	Salaries & Benefits	OPS	Expense	Total	Salaries & Benefits	OPS	Expense	Total
Educational & General	67.81%	9.24%	22.95%	100.00%	67.60%	8.92%	23.47%	100.00%
Student Financial Aid	0.32%	0.49%	99.19%	100.00%	0.32%	0.70%	98.98%	100.00%
Sponsored Research / other Grants	41.35%	16.96%	41.68%	100.00%	45.86%	18.89%	35.25%	100.00%
Auxiliary Enterprises	21.33%	7.23%	71.44%	100.00%	25.67%	8.03%	66.31%	100.00%
Athletics	31.26%	2.73%	66.02%	100.00%	29.17%	3.57%	67.25%	100.00%
Student Activities	3.79%	18.73%	77.48%	100.00%	2.55%	19.10%	78.34%	100.00%
Concessions	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Total	40.13%	7.67%	52.20%	100.00%	42.01%	7.84%	50.15%	100.00%