FLORIDA ATLANTIC UNIVERSITY
2007-2008 UNIVERSITY OPERATING BUDGET
JULY 1, 2007 TO DECEMBER 31, 2007
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, 2007 – December 31, 2007
Second Quarter Report

General Revenue
$181,814,697
Lottery
$11,881,615
Student Fees
$72,343,264

Revenue
Budget 2007-8
$266,039,576

Expenditure
Budget 2007-8
$260,637,592

2nd Quarter 2007-8
Revenue
$131,184,197

Expenditures
$116,443,876

Projected Revenue 2007-8
$260,952,467

Projected Expenditures 2007-8
$255,550,483
Educational and General Operating Budget

July 1, 2007 to December 31, 2007

Budgeted Revenues 2007-08: $266,039,576  Actual Revenues to December 31: $131,184,197
Budgeted Expenses 2007-08: $260,637,592  Actual Expenses to December 31: $116,443,876

The total budgeted revenue for 2007-2008 is $266,039,576. The major revenue components are general revenue ($181,814,697), student fees ($72,343,264), and lottery funding ($11,881,615).

For the second quarter, actual revenue collections are general revenue of $90,257,534 and student fees of $40,926,663 for total revenue of $131,184,197.

The total expense budget 2007-2008 is $260,637,592. This amount reflects $5,041,984 in student fee budget authority held in unallocated reserve. This is not a cash reserve but is authority to spend if cash is received.

Total expenditures through the second quarter were $116,443,876, or approximately 46 percent of the total projected budget amount. Total expenditures are slightly above the spending rate of the previous year – 46 percent compared to 43 percent in 2006-07. Expense items are higher due to increases in utilities, insurance, HBOI expenditures and student financial aid support.
Educational and General Operating Budget

Analysis:

The Educational and General figures presented in this document reflect initial budgets approved by the Board of Trustees in June. After months of careful budget planning and Board of Trustees approval of an initial budget in June, a July mandate by the legislature instructed FAU to prepare for a revision to our 2007-08 Educational and General Operating Budget. During the October Special Legislative Session, the House and Senate reached agreement on the amount of the reductions for the State University System, and a recurring general revenue reduction of $6,252,978. Based upon lower state revenue collections, FAU is preparing for an additional reduction of approximately $7,000,000.

Student fee collections and enrollments are projected to be approximately 1.5 percent below the targeted amount. Student fee collections were budgeted to anticipate a growth rate of 3.4 percent over 2006-07 actual enrollments. Summer student credit hours were up approximately 3 percent and fall student credit hours were up 4 percent compared to the same time in 2006-07. Fall 2007 headcount is 26,245, a 2.3 percent increase over a headcount of 25,657 in 2006. Spring semester hours are up only .16 percent over last year. Graduate enrollments are projected at only 95.58 percent of the 2007-08 target. Overall, a shortfall of approximately $1,000,000 is projected in student fee collections. Lower community college transfers, higher admissions standards, budget reductions and the deteriorating economy contribute to this reduction. Out-of-state enrollments continue to be weak at FAU and system-wide.

Based upon the most recent estimating conference, lottery revenue is projected to be fully achieved.
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 2007-08:

- $3.68 Undergraduate In-State
- $24.41 Undergraduate Out-of-State
- $10.52 Graduate In-State
- $41.89 Graduate Out-of-State
Florida Atlantic University
Student Financial Aid Operating Budget
July 1, 2007 – December 31, 2007
Second Quarter Report
The total budgeted revenue for 2007-2008 is $122,951,300. As of December 31, 2007, $50,648,434 in revenue has been generated, or approximately 41 percent the total revenue budget. Total projected expenditures for the year are $122,951,300. As of December 31, 2007, $47,924,737 has been expended, or approximately 39 percent of total projected expenditures for the year.

Analysis:

The amount of expenditures to date for 2007-08 are slightly less than the percentage spent in the prior year (39 percent for 2007-08 compared to 41 percent for 2006-07). Revenue and expenditures are believed to be on target with projections.
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.
Florida Atlantic University
Grants and Contracts Operating Budget
July 1, 2007 – December 31, 2007
Second Quarter Report

Revenue Budget 2007-8
$63,497,151

Expenditure Budget 2007-8
$63,307,843

Revenue 2nd Quarter 2007-8
$23,086,101

Expenditure 2nd Quarter 2007-8
$23,867,590

Projected Revenue Budget 2007-8
$63,497,151

Projected Expenditures 2007-8
$63,307,843
Grants and Contracts Operating Budget

July 1, 2007 to December 31, 2007

Budgeted Revenues 2007-08: $63,497,151  
Actual Revenues to December 31: $23,086,101

Budgeted Expenses 2007-08: $63,307,843  
Actual Expenses to December 31: $23,867,590

The total budgeted revenue for 2007-2008 is $63,497,151 and budgeted expenses are $63,307,843. Total budgeted expenditures are comprised of Sponsored Research ($51,500,000), FAU Foundation, Inc ($6,920,196) and A.D. Henderson University School ($4,887,647). As of December 31, 2007, $23,086,101 in revenue has been generated, approximately 36 percent of the budgeted amount. $23,867,590 has been expended, or approximately 38 percent of the total expenditure budget.

Of total expenditures to date, salaries and benefits total $10,661,529 (45 percent of total expenditures); OPS of $3,665,933 (15 percent); and expense of $9,540,128 (40 percent).

Analysis:

Total expenditures to date are above last year’s by $1,141,291, approximately 5 percent. Second quarter revenues are down $326,119 over last year, a decrease of 1 percent. Cash balances are at 2,579,945 and billings and receivables are being carefully monitored. Since many grants are based upon cost reimbursements, delayed receivables during the last month of the quarter are primarily responsible for the weak cash position. The Division of Research assists faculty and graduate students with the submission of hundreds of grant applications; however, not every grant application culminates in an award. 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. Furthermore, some expenditures will precede the collection of offsetting revenues.
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 ($6.63 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
Auxiliary Enterprises Operating Budget

July 1, 2007 to December 31, 2007

Budgeted Revenues 2007-08: $70,160,798  Actual Revenues to December 31:  $44,341,311
Budgeted Expenses 2007-08:  $63,391,982  Actual Expenses to December 31:  $24,134,578

The total budgeted revenue for 2007-2008 is $70,160,798. As of December 31, 2007, $11,341,311 in revenue has been generated, or approximately 63 percent of the total budget. Total projected expenditures for the year are $63,391,982. As of December 31, 2007, $24,134,578 has been expended, or approximately 38 percent of total projected expenditures for the year.

Analysis:

The expenditures to date for 2007-08 are slightly less than the percentage spent in the prior year (38 percent for 2007-08 compared to 43 percent for 2006-07). Revenues and expenditures for the year are believed to be on target with projections.
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, 2007 – December 31, 2007
Second Quarter Report
Athletics Local Operating Budget

July 1, 2007 to December 31, 2007

Budgeted Revenues 2007-08: $12,786,185  
Actual Revenues to December 31: $8,415,566

Budgeted Expenses 2007-08: $12,786,185  
Actual Expenses to December 31: $7,434,513

The beginning of year budgeted revenue for 2007-2008 was $12,786,185. The major revenue components are athletics fees ($8,050,000), ticket sales ($440,000), game guarantees ($1,350,000), NCAA/Conference distribution ($620,000), corporate sales/sponsorships ($400,000), private fundraising ($800,000) and other revenues of $986,185. Both revenues and expenses were increased by $450,000 to account for revenue and expenditures associated with FAU’s participation in the R&L Carriers New Orleans Bowl on December 21, 2007. FAU was the only Florida university to win a Bowl game.

Of these major revenue components, actual collections were athletics fees of $6,709,273, ticket sales of $284,092, corporate sales/sponsorships of $90,250, game guarantees of $646,375 and NCAA / conference distributions of $600,884. Auxiliary event revenues (licensing, merchandising, and concession sales) are $44,133 and other revenue (Bowl revenue and facility rentals) totals $40,559. Private fundraising (development revenue), not reflected in the total revenue, total $115,933 and were transferred to athletics in January.

The beginning of year expense budget for 2007-2008 was $12,786,185. Payroll of $5,110,000, program operating expenses of $5,050,000 and scholarships of $2,626,185 account for this total. Total expenditures through December 31, 2007 were $7,434,513 or approximately 58 percent of the total budgeted amount. Of total expenditures to date, 25 percent ($1,843,259) were financial aid, 31 percent ($2,313,495) were payroll, and 44 percent ($3,277,759) were program operations.

In addition to the local operating budget, FAU 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.
Athletics Local Operating Budget

July 1, 2007 to December 31, 2007

Analysis:

Athletic fee collections are projected to reach their targeted amounts and these are being closely monitored. Athletics fees were conservatively estimated at only $50,000 above last year’s projections. Game guarantees revenues are expected to be achieved.

Development revenue, Corporate sales (sponsorships), and other revenue are below projections at this time and are being closely monitored. Athletics is working with the Division of University Advancement and Nelligan Sports Marketing to improve these revenues.

Regular meetings are taking place to monitor revenues and expenditures of Athletics.
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, 2007 – December 31, 2007
Second Quarter Report

Revenue Budget 2007-8: $6,473,990
Expenditure Budget 2007-8: $7,064,000
Revenue 2nd Quarter 2007-8: $4,970,627
Expenditure 2nd Quarter 2007-8: $2,100,663
Projected Revenue Budget 2007-8: $6,473,990
Projected Expenditures 2007-8: $7,064,000
The total budgeted revenue for 2007-2008 is $6,473,900. As of December 31, 2007, $4,970,627 in revenue has been generated, or approximately 77 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 $7,064,000. To date, $2,100,663 has been expended, or approximately 30 percent of total projected expenditures for the year.

Analysis:

The expenditures to date for 2007-08 are slightly lower than the percentage spent in the prior year (30 percent for 2007-08 compared to 34 percent for 2006-07).
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, 2007 – December 31, 2007
Second Quarter Report

Revenue Budget 2007-8
Expenditure Budget 2007-8
Revenue 2nd Quarter 2007-8
Expenditure 2nd Quarter 2007-8
Projected Revenue Budget 2007-8
Projected Expenditures 2007-8

- Revenue Budget 2007-8: $575,000
- Expenditure Budget 2007-8: $695,000
- Revenue 2nd Quarter 2007-8: $244,757
- Expenditure 2nd Quarter 2007-8: $378,718
- Projected Revenue Budget 2007-8: $575,000
- Projected Expenditures 2007-8: $695,000
Concessions Operating Budget

July 1, 2007 to December 31, 2007

<table>
<thead>
<tr>
<th>Budgeted Revenues 2007-08: $575,000</th>
<th>Actual Revenues to December 31: $244,757</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted Expenses 2007-08: $695,000</td>
<td>Actual Expenses to December 31: $378,718</td>
</tr>
</tbody>
</table>

The total budgeted revenue for 2007-2008 is $575,000. As of December 31, 2007, $244,757 has been received, or approximately 43 percent of the revenue budget, and $378,718 has been expended, or approximately 54 percent of the total expenditure budget.

Analysis:

Revenues and expenditures for the year are believed to be on target with projections. The amount of expenditures to date for 2007-08 is more than in the prior year. Revenues remain consistent and any overage will be absorbed by prior year cash balances.
<table>
<thead>
<tr>
<th>Summary Comparisons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-to-Date Expenditures for Fiscal Year 2007-08</td>
</tr>
<tr>
<td>Year-to-Date Expenditures for Fiscal Year 2006-07</td>
</tr>
<tr>
<td>Year-to-Date Student Credit Hours for Fiscal Year 2007-08</td>
</tr>
<tr>
<td>Year-to-Date Student Credit Hours for Fiscal Year 2006-07</td>
</tr>
<tr>
<td>Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2007-08</td>
</tr>
<tr>
<td>Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2006-07</td>
</tr>
<tr>
<td>Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2007-08</td>
</tr>
<tr>
<td>Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2006-07</td>
</tr>
</tbody>
</table>
### Year-to-Date Expenditures Fiscal Year 2007-2008

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th>Operating Budget</th>
<th>Remainder</th>
<th>% of Budget Spent</th>
<th>Cash &amp; Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; General</td>
<td>$116,443,876</td>
<td>$255,550,483</td>
<td>$139,106,607</td>
<td>45.57%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>$47,924,737</td>
<td>$122,951,300</td>
<td>$75,026,563</td>
<td>38.98%</td>
</tr>
<tr>
<td>Sponsored Research / other Grants</td>
<td>$23,867,590</td>
<td>$63,307,843</td>
<td>$39,440,253</td>
<td>37.70%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>$24,134,578</td>
<td>$63,391,982</td>
<td>$39,257,404</td>
<td>38.07%</td>
</tr>
<tr>
<td>Athletics</td>
<td>$7,434,513</td>
<td>$12,786,185</td>
<td>$5,351,672</td>
<td>58.14%</td>
</tr>
<tr>
<td>Student Activities</td>
<td>$2,100,663</td>
<td>$7,064,000</td>
<td>$4,963,337</td>
<td>59.74%</td>
</tr>
<tr>
<td>Concessions</td>
<td>$378,718</td>
<td>$695,000</td>
<td>$316,282</td>
<td>54.49%</td>
</tr>
<tr>
<td>Total</td>
<td>$222,284,676</td>
<td>$525,746,793</td>
<td>$303,462,117</td>
<td>42.28%</td>
</tr>
</tbody>
</table>

### Semester Actual Budget Difference % Variance

<table>
<thead>
<tr>
<th>Semester</th>
<th>Actual</th>
<th>Budget</th>
<th>Difference</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer (actual)</td>
<td>98,236</td>
<td>97,754</td>
<td>482</td>
<td>0.49%</td>
</tr>
<tr>
<td>Fall (preliminary)</td>
<td>255,170</td>
<td>256,327</td>
<td>(1,157)</td>
<td>-0.45%</td>
</tr>
<tr>
<td>Spring (estimate)</td>
<td>232,511</td>
<td>237,776</td>
<td>(5,265)</td>
<td>-2.21%</td>
</tr>
<tr>
<td>Total</td>
<td>585,917</td>
<td>591,857</td>
<td>(5,940)</td>
<td>-1.00%</td>
</tr>
</tbody>
</table>
## FLORIDA ATLANTIC UNIVERSITY
### OPERATING BUDGET STATUS
#### EXPENDITURES BY CATEGORY AS OF DECEMBER 31, 2007

### EXPENDITURES BY ACTIVITY - DOLLAR AMOUNTS

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year-to-date expenditures FISCAL YEAR 2007-08</th>
<th>Year-to-date expenditures FISCAL YEAR 2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Aid</td>
<td>281,012</td>
<td>263,456</td>
</tr>
<tr>
<td>Sponsored Research / Other Grants</td>
<td>10,661,529</td>
<td>3,665,933</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>6,701,302</td>
<td>2,471,194</td>
</tr>
<tr>
<td>Athletics</td>
<td>2,141,197</td>
<td>176,913</td>
</tr>
<tr>
<td>Student Activities</td>
<td>165,695</td>
<td>454,221</td>
</tr>
<tr>
<td>Concessions</td>
<td>167,445</td>
<td>211,273</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$95,438,244</td>
<td>$16,467,653</td>
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</tbody>
</table>

### EXPENDITURES BY ACTIVITY - PERCENT OF TOTAL

<table>
<thead>
<tr>
<th>Activity</th>
<th>Salaries &amp; Benefits</th>
<th>OPS</th>
<th>Expense</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FISCAL YEAR 2007-08 AS OF 12/31/2007</strong></td>
<td>64.83%</td>
<td>7.96%</td>
<td>27.21%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Educational &amp; General</td>
<td>64.83%</td>
<td>7.96%</td>
<td>27.21%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>0.59%</td>
<td>0.05%</td>
<td>98.86%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Sponsored Research / Other Grants</td>
<td>44.67%</td>
<td>15.36%</td>
<td>39.97%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>27.77%</td>
<td>10.24%</td>
<td>61.99%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Athletics</td>
<td>28.80%</td>
<td>2.38%</td>
<td>68.82%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Student Activities</td>
<td>7.89%</td>
<td>21.62%</td>
<td>70.49%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Concessions</td>
<td>0.00%</td>
<td>44.21%</td>
<td>55.79%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42.94%</td>
<td>7.41%</td>
<td>49.66%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

| **FISCAL YEAR 2006-07 AS OF 12/31/2006** | 64.80% | 8.70% | 26.50% | 100.00% |
| Educational & General             | 64.80% | 8.70% | 26.50% | 100.00% |
| Student Financial Aid             | 0.39% | 0.55% | 99.06% | 100.00% |
| Sponsored Research / Other Grants| 45.57% | 18.67% | 35.75% | 100.00% |
| Auxiliary Enterprises             | 23.56% | 9.48% | 66.96% | 100.00% |
| Athletics                         | 30.88% | 2.89% | 66.23% | 100.00% |
| Student Activities                | 5.28% | 19.87% | 74.85% | 100.00% |
| Concessions                       | 0.00% | 0.00% | 100.00% | 100.00% |
| **Total**                         | 40.98% | 7.86% | 51.16% | 100.00% |