



Item: AF: I-3

AUDIT AND FINANCE COMMITTEE

Wednesday, December 15, 2010

SUBJECT: REVIEW OF THE FIRST QUARTER STATUS OF FLORIDA ATLANTIC UNIVERSITY'S 2010-11 OPERATING BUDGET, JULY 1 – SEPTEMBER 30, 2010.

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

To keep the Board of Trustees fully aware of the financial condition of the University, quarterly reports on the University's operating budget will be presented. This report will present year-to-date expenditures for each of the budgetary components of the University: Educational and General; Auxiliary Enterprises; Sponsored Research/Grants and Contracts; Financial Aid; Student Government/Student Activities; Athletics; and, Concessions. Budgetary comparison with the prior year will also be presented.

IMPLEMENTATION PLAN/DATE

Not Applicable.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: PowerPoint Presentation: First Quarter Status of FAU's 2010-11 Operating Budget, July 1 – September 30, 2010.

Presented by: Mr. Dennis Crudele, Sr. Vice President for Financial Affairs

Phone: 561-297-3266

FLORIDA ATLANTIC UNIVERSITY 2010-11 UNIVERSITY OPERATING BUDGET JULY 1, 2010 to SEPTEMBER 30, 2010 FIRST QUARTER REPORT

Educational and General Operating Budget

Student Financial Aid Operating Budget

Grants and Contracts-Sponsored Research Operating Budget

Auxiliary Enterprises Operating Budget

Athletics Operating Budget

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. Approximately 31 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.

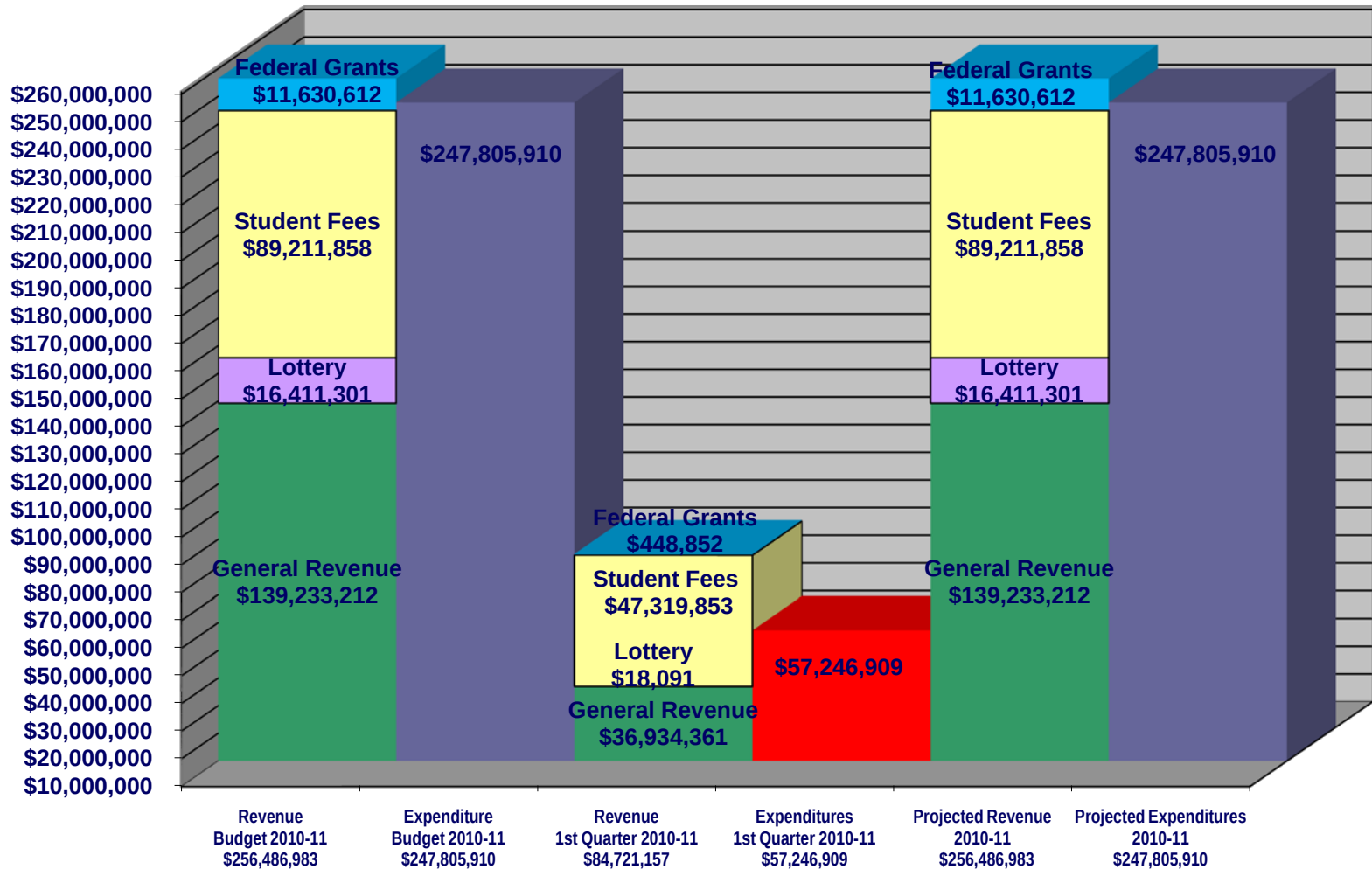
Federal Grants, consisting of federal stimulus funds. Distribution in 2010-11 is the second of two years of non-recurring funding.

Florida Atlantic University

Educational and General Operating Budget

July 1, 2010 – September 30, 2010

First Quarter Report



Educational And General Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$256,486,983 Actual Revenues to September 30: \$84,721,157

Budgeted Expenses 2010-11: \$247,805,910 Actual Expenses to September 30: \$57,246,909

The total budgeted revenue for 2010-11 is \$256,486,983. The major revenue components are general revenue (\$139,233,212), student fees (\$89,211,858), lottery funding (\$16,411,301) and Federal Stabilization (\$11,630,612).

For the first quarter, actual revenue collections are general revenue of \$36,934,361, lottery funds of \$18,091, student fees of \$47,319,853 and federal stabilization funding of \$448,852 for total revenue of \$84,721,157.

The total expense budget for 2010-11 is \$247,805,910. This amount reflects \$8,681,073 in student fee budget authority held in unallocated reserve.

Total expenditures through the first quarter were \$57,246,909; approximately 23.1 percent of the total projected budget amount.

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. Included in this budget are Federal Stabilization funds, which reflect the second year of a two year non-recurring allocations.

Summer 2010 enrollment exceeded budgeted projections by 13.1% and the Fall semester enrollment looks to exceed the budgeted projections by 19,736 credit hours (7.7%). Fall 2010 headcount was 28,325, an increase of approximately 2.2% over Fall 2009 headcount of 27,707. If Spring enrollments meet projections we can anticipate that student credit hours will equal 623,727, an increase of 5.4% over our initial enrollment projections and an all-time high for FAU.

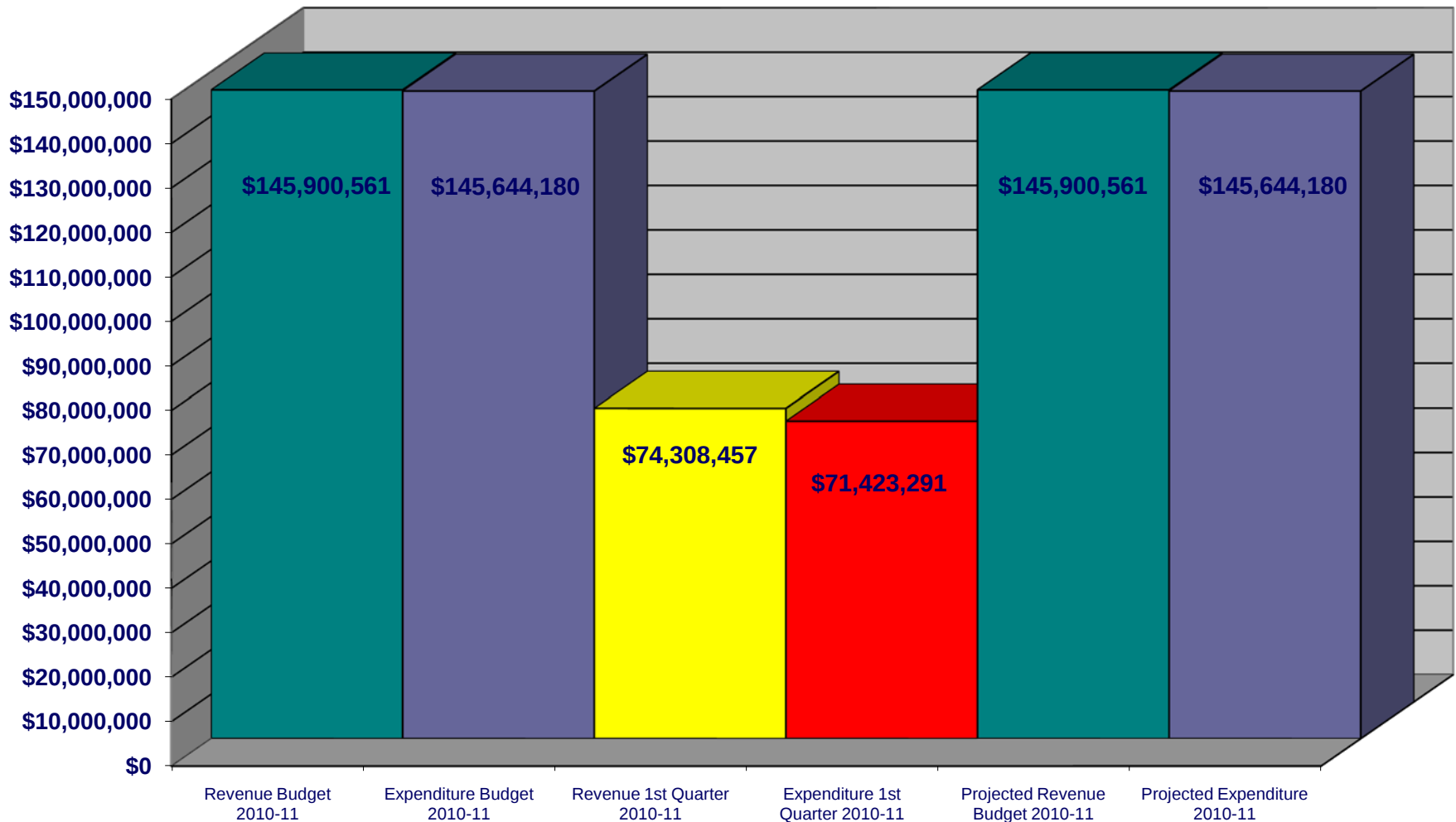
THE STUDENT FINANCIAL AID BUDGET

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 2010-11:

\$ 4.78	Undergraduate In-State
\$25.95	Undergraduate Out-of-State
\$13.02	Graduate In-State
\$41.89	Graduate Out-of-State

Florida Atlantic University Student Financial Aid Operating Budget July 1, 2010 – September 30, 2010 First Quarter Report



Student Financial Aid Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$145,900,561 Actual Revenues to September 30: \$74,308,457

Budgeted Expenses 2010-11: \$145,644,180 Actual Expenses to September 30: \$71,423,291

The total original budgeted revenue for 2010-11 is \$145,900,561. As of September 30, 2010, \$74,308,457 in revenue has been generated, or approximately 50.9 percent of the total revenue budget. Total projected expenditures for the year are \$145,644,180. As of September 30, 2010, \$71,423,291 has been expended, or approximately 49 percent of total original budgeted expenditures for the year.

Analysis:

The amount of expenditures to date for 2010-11 are slightly higher than the this time last year (49.0 percent for 2010-11 compared to 42 percent for 2009-10). Depending upon policy decisions at the federal level for Pell grants, adjustments to budgets may be required at the 3rd quarter report to the Board of Trustees, similar to the timing of such approvals last year.

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.

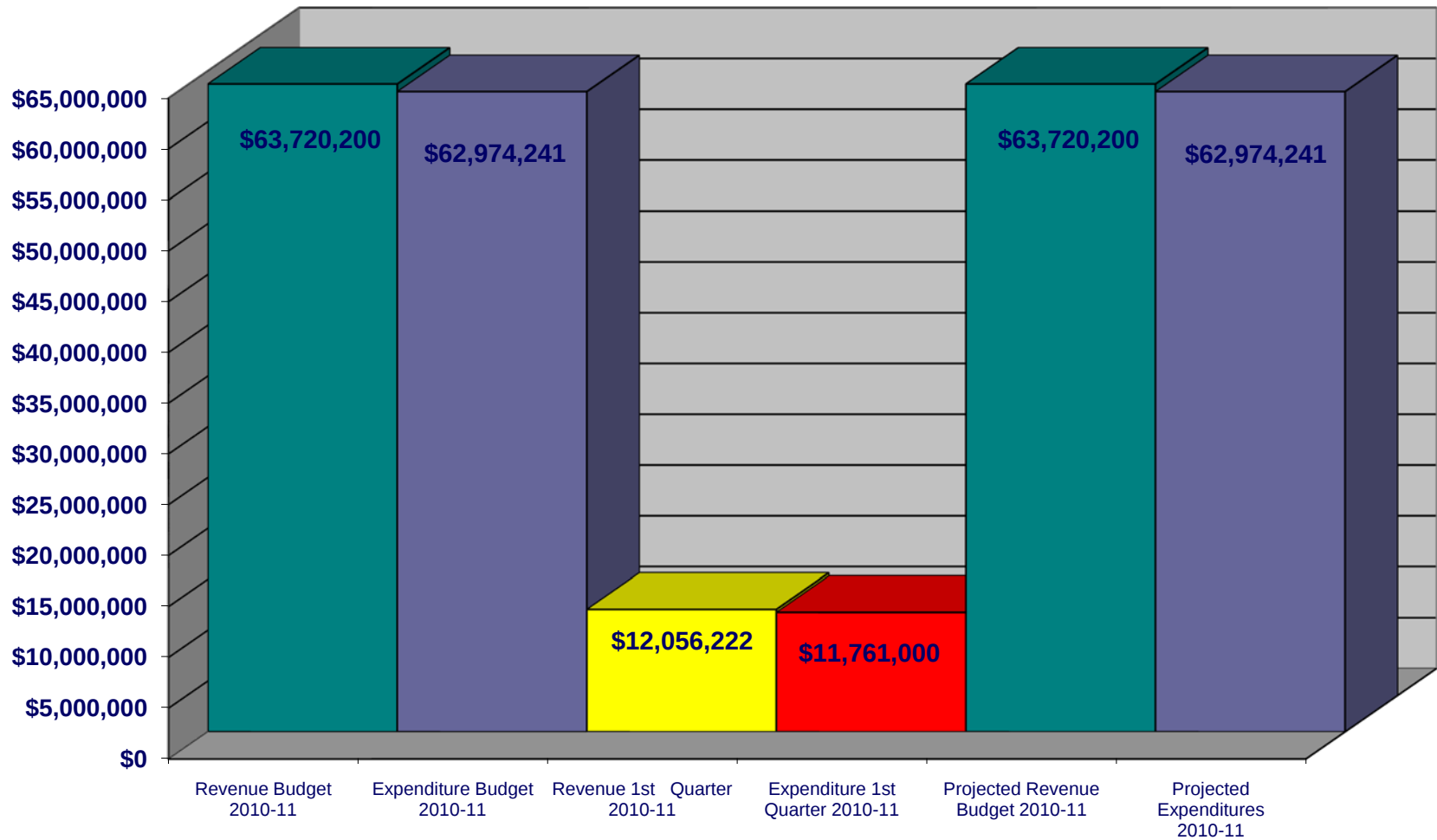
Expenditures for the Division of Sponsored Research, the A.D. Henderson University School and the Florida Atlantic University Foundation (payroll and clearing account) and Harbor Branch Oceanographic Institute research activity are included in the Grants & Contracts budget.

Florida Atlantic University

Grants and Contracts Operating Budget

July 1, 2010 – September 30, 2010

First Quarter Report



Grants and Contracts Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$63,720,200 Actual Revenues to September 30: \$12,056,222

Budgeted Expenses 2010-11: \$62,974,241 Actual Expenses to September 30: \$11,761,000

The budgeted revenue for 2010-11 is \$63,720,200 and the budgeted expenses are \$62,974,241. Total budgeted expenditures are comprised of Sponsored Research (\$52,654,757), FAU Foundation, Inc. (\$6,182,489) and A. D. Henderson University School (\$4,882,954). As of September 30, 2010, \$12,056,222 in revenue has been generated, approximately 18.9 percent of the budgeted amount; \$11,761,000 has been expended, or approximately 18.7 percent of expenditure budget.

Of the total expenditures to date, salaries and benefits equal \$4,373,957 (37.2 percent of total expenditures); OPS is \$1,225,541 (10.4 percent); and expense is \$6,161,502 (52.4 percent).

Analysis:

Revenues in Sponsored Projects are up slightly from this time last year. In 2009-10 revenue generated from grants was \$9,084,412 compared to \$11,180,967 for the first quarter of 2010-11. Some grant awards are cost reimbursable and at times expenditures will be higher than collections.

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 and Traffic and Parking through the transportation access fee.

The major auxiliary areas are:

Food Service

Housing

Bookstore

Printing/Duplicating

Telecommunications

University Theatre

Harbor Branch

Oceanographic Institute

Postal Services

Student Health Center

Traffic and Parking

Student Union

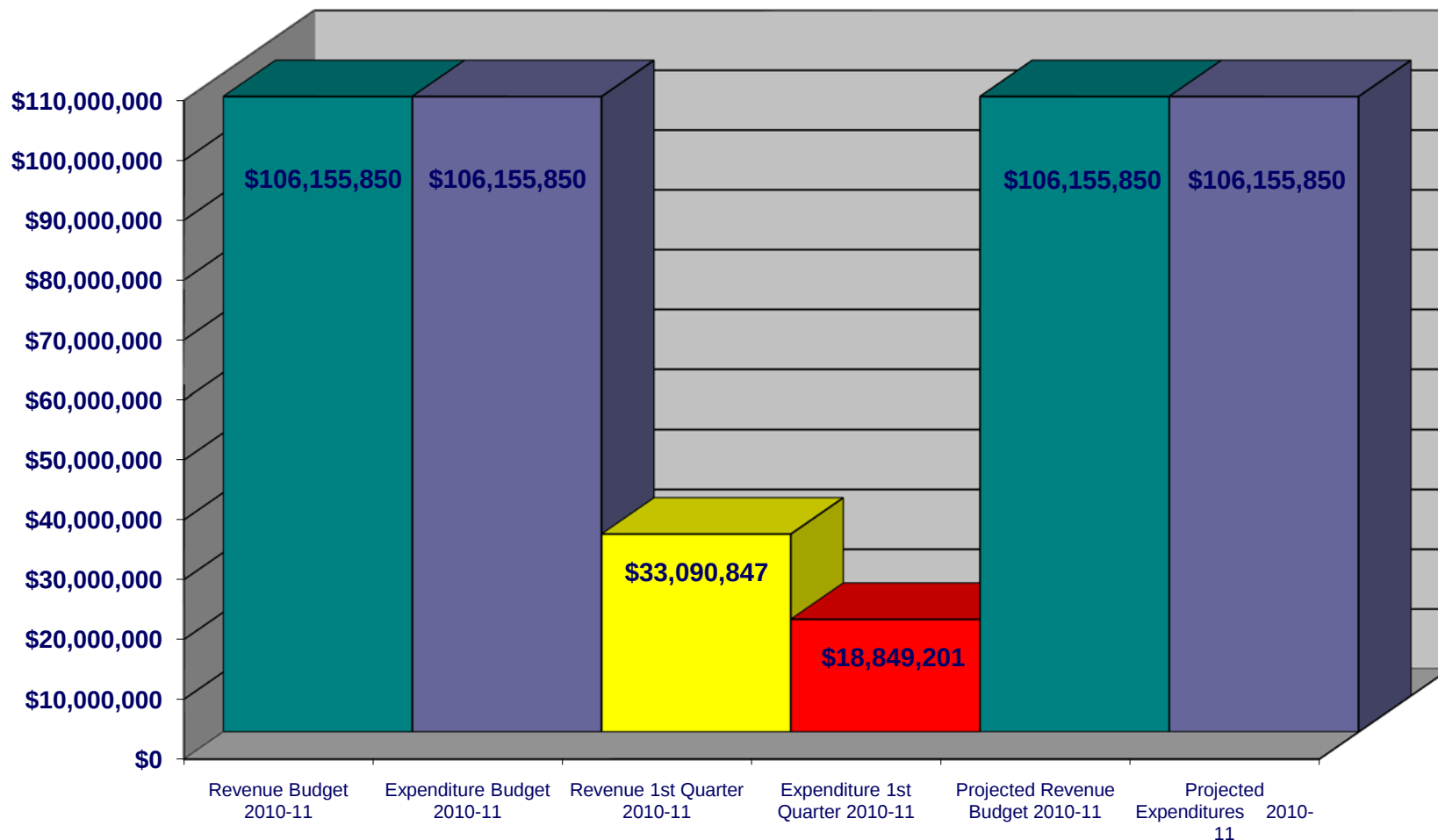
College Continuing Education

Lifelong Learning Society

Clearwire Spectrum Holdings

Technology Fee

Florida Atlantic University Auxiliary Enterprises Operating Budget July 1, 2010 – September 30, 2010 First Quarter Report



Auxiliary Enterprises Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$106,155,850 Actual Revenues to September 30: \$33,090,847

Budgeted Expenses 2010-11: \$ 106,155,850 Actual Expenses to September 30: \$18,849,201

The budgeted revenue for 2010-11 is \$106,155,850. As of September 30, 2010, \$33,090,847 in revenue has been generated, or approximately 31.2 percent of the total budget. Total projected expenditures for the year are \$106,155,850. As of September 30, 2010, \$18,849,201 has been expended, or approximately 17.8 percent of total projected expenditures for the year.

Analysis:

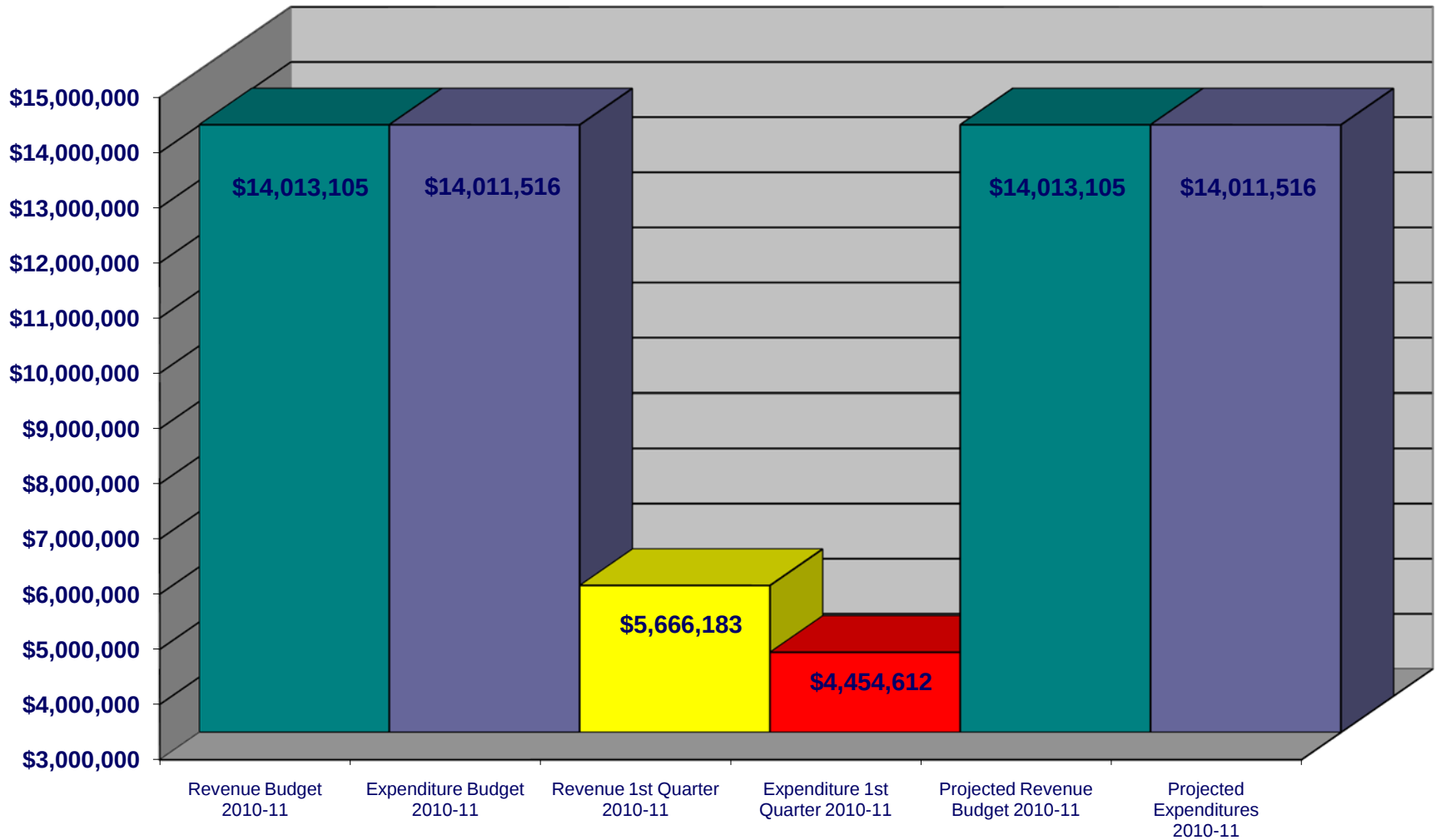
Revenues and expenditures for the year are believed to be on target with projections.

THE ATHLETICS OPERATING BUDGET

The Athletics Operating Budget supports the University's student athletics program. Funding is generated from student athletics fees (\$16.45 per credit hour) as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support.

In addition to the Operating Budget, FAU Athletics receives \$230,246 in State Educational and General Title IX Gender Equity funding and \$1,076,569 in out-of-state waiver authority and financial aid.

Florida Atlantic University Athletics Operating Budget July 1, 2010 – September 30, 2010 First Quarter Report



Athletics Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$14,013,105 Actual Revenues to September 30: \$5,666,183

Budgeted Expenses 2010-11: \$14,011,516 Actual Expenses to September 30: \$4,454,612

The budgeted revenue for 2010-11 is \$14,013,105. The major revenue components are athletics fees (\$9,349,650), facilities rental receipts (\$364,579), ticket sales (\$663,500), game guarantees (\$2,017,376), NCAA/Conference distribution (\$725,000), corporate sales/sponsorships (\$345,000), private fundraising (\$480,000) and other revenues (\$68,000).

As of September 30, collections consisted of athletics fees of \$4,911,351, ticket sales of \$131,580, NCAA Grants in Aid of \$587,573 and other revenue of \$ 35,679.

The expenditure budget for 2010-11 is 14,011,516. Payroll of \$5,180,792 and program operating expenses of \$8,830,724, account for this total. Total expenditures through September 30, 2010 are \$4,454,612, or approximately 31.8 percent of the budgeted amount. Of total expenditures to date, 30.3 percent (\$1,348,353) is financial aid/scholarship disbursements, 24.7 percent (\$1,098,661) is payroll and 45 percent (\$2,007,598) is expense.

In addition to the local operating budget, FAU receives \$230,246 in State Educational and General Title IX Gender Equity funding and \$1,076,569 in out-of-state waiver authority and financial aid.

Athletics Operating Budget

July 1, 2010 to September 30, 2010

Analysis:

Athletic fee collections are projected to reach or slightly exceed their targeted amounts due to the increase in fall enrollment.

Ticket revenues are in-line with projections. Game guarantees revenues are expected to be achieved. Corporate sales (sponsorships) are below projections at this time and are being closely monitored. Development funds also are below expectations at this time.

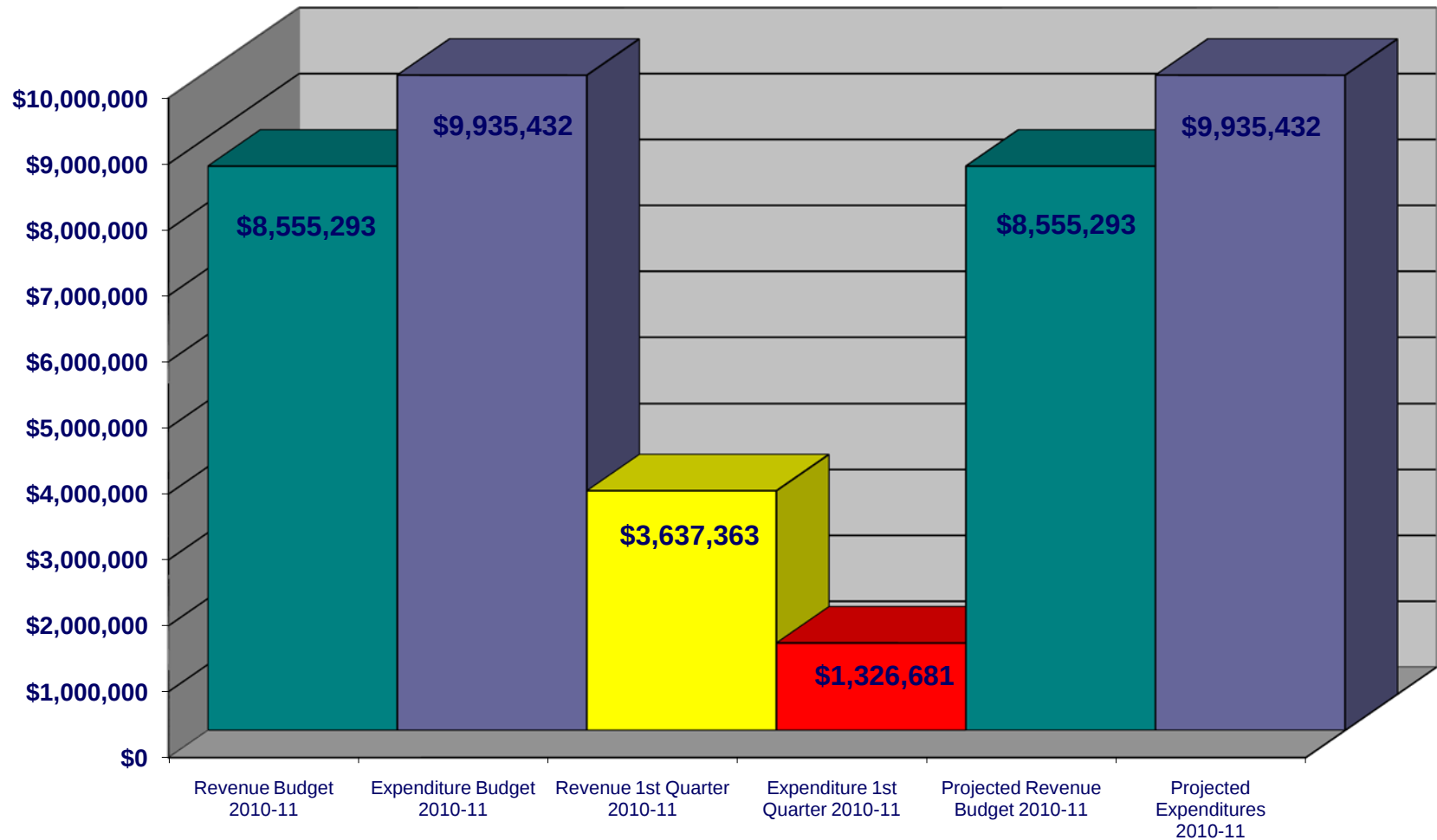
Expenses are currently on target to end the fiscal year within budget; regular meetings are on-going to monitor revenues and expenditures of Athletics.

STUDENT ACTIVITIES BUDGET

The Student Activities budget supports student activities such as student government and student clubs and organizations. Also included in the budget are expenditures for the Student Union and campus recreation and student wellness activities.

The Student Activities budget is funded primarily through the Activity and Service fee paid by students (\$11.96 per credit hour) as well as other types of service fees.

Florida Atlantic University Student Activities Operating Budget July 1, 2010 – September 30, 2010 First Quarter Report



Student Activities Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$8,555,293

Actual Revenues to September 30: \$3,637,363

Budgeted Expenses 2010-11: \$9,935,432

Actual Expenses to September 30: \$1,326,681

The budgeted revenue for 2010-11 is \$8,555,293. As of September 30, 2010, \$3,637,363 in revenue has been generated, or approximately 42.5 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 \$9,935,432. To date, \$1,326,681 has been expended, or approximately 13.4 percent of total projected expenditures for the year.

Analysis:

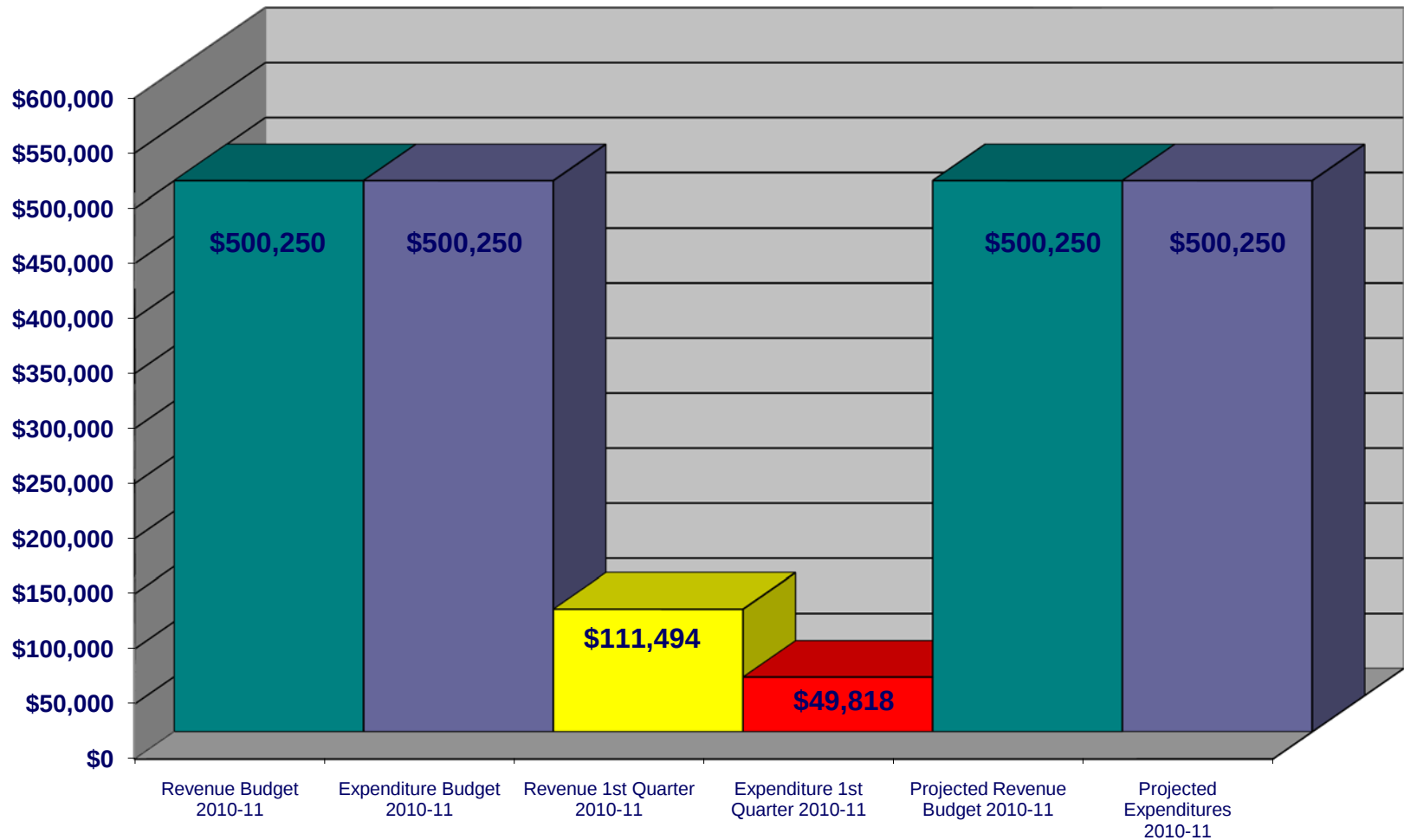
Budgeted expenses are reflected to exceed revenues but due to the increase in enrollment, revenues and expenses should be equivalent. As the year progresses available cash balances will support any excess expenditures, if required.

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, 2010 – September 30, 2010 First Quarter Report



Concessions Operating Budget

July 1, 2010 to September 30, 2010

Budgeted Revenues 2010-11: \$500,250 Actual Revenues to September 30: \$111,494

Budgeted Expenses 2010-11: \$500,250 Actual Expenses to September 30: \$ 49,818

The total budgeted revenue for 2010-11 is \$500,250. As of September 30, 2010, \$111,494 had been received, or approximately 22.3 percent of the revenue budget, and \$49,818 has been expended, or approximately 10 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 2010-11 is less than in the prior year.

FLORIDA ATLANTIC UNIVERSITY OPERATING BUDGET STATUS AS OF SEPTEMBER 30, 2010 SUMMARY COMPARISONS

Year-to-Date Expenditures for Fiscal Year 2010-11 and Fiscal Year 2009-10

Year-to-Date Student Credit Hours for Fiscal Year 2010-11 and 2009-10

Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2010-11 and Fiscal Year 2009-10

Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2010-11 and Fiscal Year 2009-10

**FLORIDA ATLANTIC UNIVERSITY
OPERATING BUDGET STATUS
SEPTEMBER 30, 2010**

YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2010-11

	Expenditures	Operating Budget	Remainder	% of Budget Spent
Educational & General	\$ 57,248,128	\$ 247,805,910	\$ 190,557,782	23.1%
Student Financial Aid	\$ 71,423,291	\$ 145,644,180	74,220,889	49.0%
Sponsored Research/Grants	\$ 11,761,000	\$ 62,974,241	51,213,241	18.7%
Auxiliary Enterprises	\$ 18,849,201	\$ 106,155,850	87,306,649	17.8%
Athletics	\$ 4,454,612	\$ 14,011,516	9,556,904	31.8%
Student Activities	\$ 1,326,681	\$ 9,935,432	8,608,751	13.4%
Concessions	\$ 49,818	\$ 500,250	450,432	10.0%
Total	\$ 165,112,732	\$ 587,027,379	\$ 421,914,647	28.1%

YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2009-10

	Operating Expenditures	Final Budget	Remainder	% of Budget Spent
	\$ 57,839,039	239,999,427	\$ 182,160,388	24.1%
	\$ 59,508,164	141,915,409	82,407,245	41.9%
	\$ 10,681,244	55,592,391	44,911,147	19.2%
	\$ 17,242,206	87,166,681	69,924,475	19.8%
	\$ 3,944,715	13,723,375	9,778,660	28.7%
	\$ 861,658	7,678,720	6,817,062	11.2%
	\$ 101,922	575,000	473,078	17.7%
	\$ 150,178,948	\$ 546,651,003	\$ 396,472,055	27.5%

STUDENT CREDIT HOURS

FISCAL YEAR 2010-11 AS OF 9/30/10

Semester	Actual	Budget	Difference	% Variance
Summer (final)	104,998	92,864	12,134	13.1%
Fall (preliminary)	277,375	257,639	19,736	7.7%
Spring (projected)	241,354	241,354	-	0.0%
Total	623,727	591,857	31,870	5.4%

FISCAL YEAR 2009-10

Actual	Budget	Difference	% Variance
96,724	98,367	(1,643)	-1.7%
265,115	253,577	11,538	4.6%
253,038	239,911	13,127	5.5%
614,877	591,855	23,022	3.9%

FLORIDA ATLANTIC UNIVERSITY

OPERATING BUDGET STATUS

EXPENDITURES BY CATEGORY AS OF SEPTEMBER 30, 2010

EXPENDITURES BY ACTIVITY - DOLLAR AMOUNTS

	YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2010-11				YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2009-10			
	Salaries & Benefits	OPS	Expense/ Other	Total	Salaries & Benefits	OPS	Expense/ Other	Total
Educational & General	\$ 31,303,064	\$ 3,756,346	\$ 22,187,500	\$ 57,246,909	\$ 32,246,839	\$ 3,417,051	\$ 22,175,149	\$ 57,839,039
Student Financial Aid	175,654	90,296	71,157,341	71,423,291	174,936	99,402	59,233,826	59,508,164
Sponsored Research/Grants	4,373,957	1,225,541	6,161,503	11,761,000	4,688,861	1,512,076	4,480,307	10,681,244
Auxiliary Enterprises	4,245,523	1,386,568	13,217,110	18,849,201	4,280,382	1,187,000	11,774,824	17,242,206
Athletics	1,034,582	64,079	3,355,951	4,454,612	993,207	56,714	2,894,794	3,944,715
Student Activities	170,257	217,933	938,492	1,326,681	121,972	184,372	555,314	861,658
Concessions	-	-	49,818	49,818	-	-	101,922	101,922
Total	\$ 41,303,036	\$ 6,740,763	\$ 117,067,714	\$ 165,111,513	\$ 42,506,197	\$ 6,456,615	\$ 101,216,136	\$ 150,178,948

EXPENDITURES BY ACTIVITY - PERCENT OF TOTAL

	FISCAL YEAR 2010-11 AS OF 9/30/10				FISCAL YEAR 2009-10 AS OF 9/30/09			
	Salaries & Benefits	OPS	Expense	Total	Salaries & Benefits	OPS	Expense	Total
Educational & General	54.7%	6.6%	38.8%	100.0%	55.8%	5.9%	38.3%	100.0%
Student Financial Aid	0.2%	0.1%	99.6%	100.0%	0.3%	0.2%	99.5%	100.0%
Sponsored Research/Grants	37.2%	10.4%	52.4%	100.0%	43.9%	14.2%	41.9%	100.0%
Auxiliary Enterprises	22.5%	7.4%	70.1%	100.0%	24.8%	6.9%	68.3%	100.0%
Athletics	23.2%	1.4%	75.3%	100.0%	25.2%	1.4%	73.4%	100.0%
Student Activities	12.8%	16.4%	70.7%	100.0%	14.2%	21.4%	64.4%	100.0%
Concessions	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%
Total	25.0%	4.1%	70.9%	100.0%	28.3%	4.3%	67.4%	100.0%