

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

AGENDA

Thursday, April 18, 2019 2:00pm

President's Conference Room

Call in Number: 1-888-585-9008 / Passcode: 581019807#

-
1. Roll Call and Approval of the Draft Minutes of the October 30, 2018
Meeting of the FAUFC Board of Directors Anthony Barbar
 2. Request for Approval of the Resolution for Interest Rate Reset Series 2012B Bonds Art Kite
 3. Interim Financial and Operational Performance Report on the FAU Housing
System, Boca Raton Campus FY 2018-19 Corey King
 4. Request for Approval of the FAU Finance Corporation 2019-20 Operating Budget..... Art Kite

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Monday, April 30, 2018

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 30, 2018 MEETING OF THE FAU FINANCE CORPORATION BOARD OF DIRECTORS.

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 30, 2018 FAU Finance Corporation board of Directors meeting.

BOARD MEMBERS

Mr. Anthony Barbar, Chair	___
Mr. Robert K. Rollins, Jr., Vice Chair	___
Mr. Michael Woody	___
Mr. Thomas Workman	___

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Tuesday, October 30, 2018

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE JULY 31, 2018 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.

The meeting of the FAUFC BOD was convened at 9:15a.m. 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. Thomas Workman, Mr. Robert Rollins (via phone) and Mr. Michael Woody (via phone).

The following officers were in attendance:

Mr. Art Kite, Executive Director, and Ms. Stacey Bell, Secretary/Treasurer.

The following guests were in attendance:

Ms. Jessica Cohen, Assistant Vice President and University Controller; Dr. Corey King, Vice President for Student Affairs; Mr. Michael Cocuzza, Director of Finance and Housing Operations; Mr. Jeff Atwater, Vice President of Strategic Initiatives and CFO; Ms. Elizabeth Rubin, Associate General Counsel; Ms. Priscilla Moxey, Associate Director, Accounting and Finance; Mr. Ron Oliver, Director of Student Success/UMI; Mr. Matthew Hinds, Director SA Administration; Mr. Jeremy Thompson, Capstone on Campus Management; Mr. Scott Travis, Capstone on Campus Management; Mr. Craig Dunlap, Dunlap and Associates (via phone), Ms. Sylvia Dunlap, Dunlap and Associates (via phone); and, Ms. Jessica Camacho, Administrative Assistant.

The following guests were in attendance only for Item 3:

Mr. Israel Gomez, C.P.A. Partner with Keefe McCullough and Mr. Marc Grace, C.P.A. Manager with Keefe McCullough.

A motion was made and seconded to approve the minutes of the July 31, 2018 meeting without change or correction. **The motion passed unanimously.**

2. NOMINATION AND ELECTION OF OFFICERS.

The FAUFC By-laws required the nomination and election of Officers to the board. The Officers that were nominated are as follows:

Chair – Mr. Anthony Barbar

Vice Chair – Mr. Robert Rollins

Secretary/Treasurer – Mr. Thomas Workman

A motion was made and seconded to nominate and elect the above listed Officers. **The motion passed unanimously.**

3. REVIEW OF THE AUDITED FAU FINANCE CORPORATION FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2018.

Mr. Gomez presented the Financial Statements, provided highlights and stated it was a clean opinion with no modifications. The debt service calculations are in compliance and all payments made timely, no weaknesses in controls and no adjusting journal entries.

4. REQUEST APPROVAL OF NEW STUDENT HOUSING FINANCING.

Dr. King explained the objectives of both the Boca housing project and Jupiter housing project. Housing retention has gone up to 50%, enrollment has increased along with FTIC and housing occupancy has increased from 87% to 105% in the last few years. The main objective for Boca is to maintain and enhance existing housing by the elimination of substandard student housing and also ensure adequate future housing and support facilities on campus for FAU needs. The Jupiter objective is to ensure provision of public and private housing facilities on the campus and within the host community adequate to meet the needs of FAU's enrollment. The total project cost is \$88M (Not-to-Exceed) with a total of 771 beds (616 Boca and 155 Jupiter) both opening Fall of 2021. The demolition of Algonquin is also included.

In the resolution there is a change on page #2 to \$43,650,000 which is reflected in the supporting documentation.

This will be presented to the Board of Governors for approval. A motion was made and seconded to approve the new Housing financing. **The motion passed unanimously.**

5. REQUEST FOR APPROVAL OF THE INNOVATION VILLAGE HOUSING REFINANCE.

Through an advance refunding, FAUFC expects to save approximately \$5.37 million (present value) during the loan term, interest rates as of 10/17/2018. By achieving greater than 5% present value savings (estimated 5.02%) and not extending the loan term, FAUFC does not need to submit the package to the Board of Governors for approval – $\$5,370,000 / \$106,955,000 = 5.02\%$. FAUFC will be the issuer of the Series 2019 bonds for the Project and IVA refunding together, which will reduce underwriter's fee by \$600,000.

A motion was made to approve the POS and authorize the refinance as presented in the resolution. **The motion passed unanimously.**

6. HOUSING REPORT AS OF SEPTEMBER 30, 2018.

Dr. King provided the board with an update on housing comparing budget to actuals and explained that revenue is up 49% and expenses are at 21%.

7. REQUEST FOR APPROVAL OF THE 2019-20 HOUSING BUDGET AND RENTAL RATES.

Dr. King stated that there are no rate increases for 2019-20. A comprehensive meeting with Capstone on Campus Management took place as well as leadership changes. There have been enhancements in academic initiatives, more resources are available to students living on campus. New washer/dryers

were installed in Innovation Village North and South at no extra cost and new digital security cameras and improved weekend maintenance were also implemented.

Occupancy has continued to increase and reached 115% at the start of the fall semester. It is currently at 105%. Due to this, the hotel program started with 109 students at the hotel and 58 are still there. FY18 budgeted 94% and ended at 100% occupancy, FY19 budgeted at 96% with a projected balance of \$3M and FY20 budgeted at 100% occupancy with a projected balance of \$2M which will be invested in deferred maintenance. The total deferred maintenance is \$3.3M for elevator replacements and roof replacements.

With the demolition of Algonquin, the hotel program will be needed again for the FY20 fall and spring semesters totaling \$1.3M for 50 rooms and approximately 90 residents.

A motion was made and seconded to approve the 2019-20 Housing Budget and Rental Rates as well as the hotel lease. **The motion passed unanimously.**

8. REQUEST FOR APPROVAL OF OFFICE OF INFORMATION TECHNOLOGY (OIT) FUNDING.

The Office of Information Technology has completed an extensive evaluation of various phone systems to replace the aging Unify phones. This process took close to two years to complete.

A motion was made and seconded to approve funding up to \$2,200,000 for the infrastructure of the University's phone system. **The motion passed unanimously.**

9. REQUEST FOR APPROVAL OF THE INCREASE TO THE HVAC PROJECT.

Dr. King explained the original board approval of this project was \$5.7M and with the minor changes for safety reasons (refrigerant, fire alarm system, Indian River Tower chiller and fire hydrant line stop and new valve) there has been an increase of \$74,000. A suggestion was made to instead approve a not-to-exceed amount of \$100,000.

A motion was made and seconded to approve the increase to the HVAC project up to \$100,000 for a total of \$5.8M for the project. **The motion passed unanimously.**

10. ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 10:05 a.m.

FAU FINANCE CORPORATION

Item: 2

BOARD OF DIRECTORS

Thursday, April 18, 2019

SUBJECT: REQUEST FOR APPROVAL OF THE RESOLUTION FOR INTEREST RATE RESET SERIES 2012B BONDS.

PROPOSED BOARD ACTION

Review and recommend approval of the resolution for interest rate reset for series 2012B bonds.

BACKGROUND INFORMATION

Facility: Series 2012B NBQ Direct Purchase Bond

Purpose: Extension of maturity to final maturity of the underlying bond or July 1, 2025

Outstanding Balance: As of April 15, 2019, the outstanding principal balance is \$2,005,000. On July 1, 2019 the principal balance will be \$1,735,000.

Interest Rate: 2.23% fixed rate indicative as of April 10, 2019; JPMorgan to enter into rate lock agreement provided Issuer executes JPMorgan rate lock form.

Legal Fees: Legal fees estimated at \$5,000; Nelson Mullins Broad and Cassel would serve as JPMorgan's legal counsel.

Security: All other terms and conditions will be substantially consistent with those set forth in that certain Series 2012B Bond dated November 30, 2012 by and between the Issuer and JPMorgan Chase Bank, N.A.

Supporting Documentation: Resolution Series 2012B

Presented by: Mr. Art Kite

April 11, 2019

FAU Financing Corporation
c/o Art Kite
777 Glades Road
Adm 10/383F
Boca Raton, FL 33431

Re: Capital Improvement Revenue Bonds, Series 2012B
Interest Rates

Mr. Kite:

Dunlap & Associates, Inc. ("D&A") was instructed to acquire several indicative rates regarding FAU Financing Corporation's ("FAUFC") Capital Improvement Revenue Bonds, Series 2012B ("Series 2012B") possible rate reset or refunding.

D&A was able to obtain three indicative rates. They are as follows:

1. 3.37%
2. 2.70%
3. 2.28% (JP Morgan) revised to 2.23%


Through discussions with JP Morgan, D&A was able to negotiate a reduction in their rate from 2.28% to 2.23% (5 bps).

Although the rates are indicative, D&A believes the lowest rate which was provided by JP Morgan, is on the lower end of the current market. In addition, by accepting the proposed indicative rate provided by JP Morgan, the rate reset would allow FAUFC to avoid the additional cost (i.e. interest rate risk and/or additional Cost of Issuance fees) which may be required by refunding the debt.

It should be noted that JP Morgan's rate is only an indicative rate and can not be "locked" in until approval is provided by the FAUFC Board. The indicative rate may be subject to change.

If you have any questions, please feel free to call me at (407) 542-7787 (office) or (407)-493-9393 (mobile).

Sincerely,



J. Craig Dunlap
President

J.P.Morgan

April 10, 2019

The FAU Finance Corporation
777 Glades Road
Boca Raton, FL 33431

Dear Mr.Kite:

On behalf of JPMorgan Chase Bank, N.A. ("JPMorgan"), I am pleased to indicate JPMorgan's interest in Extension of Credit in favor of The FAU Finance Corporation ("Issuer") within the parameters set forth below:

Facility:	Series 2012B NBQ Direct Purchase Bond
Purpose:	Extension of maturity to final maturity of the underlying bond or July 1, 2025
Interest Rate:	2.23% fixed rate indicative as of April 10, 2019; JPMorgan to enter into rate lock agreement provided Issuer executes JPMorgan rate lock form.
Legal Fees:	Legal fees estimated at \$5,000; Nelson Mullins Broad and Cassel would serve as JPMorgan's legal counsel.
Security:	All other terms and conditions will be substantially consistent with those set forth in that certain Series 2012B Bond dated November 30, 2012 by and between the Issuer and JPMorgan Chase Bank, N.A.

Please note that these parameters are provided solely for purposes of facilitating further discussion and are indicative only, based upon current market conditions and our current knowledge of The FAU Finance Corporation's financial condition and credit standing, and are subject to due diligence and credit approval. Nothing expressed or implied in this letter constitutes an offer or commitment by JPMorgan or any of its affiliates to lend or provide any financial services either on the terms outlined above or on any other terms. Such obligations would arise only under separate, mutually acceptable written agreements between us.

JPMorgan has been a market leader in public finance credit for over 35 years and our deep familiarity with this sector is viewed as a strong benefit by our higher education and not-for-profit clients. We believe our experience in providing financing solutions and our extensive experience in deal execution foster efficient and cost effective transactions for our customers.

We look forward to further discussing terms and conditions of a potential facility in greater detail, and, subject to your interest in pursuing such a facility, the commencement of due diligence. Our contact information is provided below:

In providing this letter of interest JPMorgan is not acting as a fiduciary or agent of the recipient, nor as an advisor to the recipient, including a "Municipal Advisor" as defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and in related rules (17 CFR Pars 200, 240, 249) and the contemplated transaction would be within the Bank exemption in such rules. This letter and any ensuing discussions regarding the potential transaction does not and will not constitute any recommendation or advice to the recipient irrespective of whether JPMorgan or any of its affiliate has provided other services, including advisory services, to the recipient. JPMorgan and its affiliates have financial and other interests that differ from those of the recipient and the recipient should consult with its own financial, legal, accounting, tax and other advisors to the extent it deems appropriate.

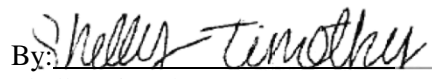
J.P.Morgan

Angelines Jover
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3399 PGA Blvd, Ste 100, 1st Floor
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Shelby Timothy
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Thank you for your consideration.

Sincerely,

By: 
Shelby Timothy
Credit Risk

In providing this letter of interest JPMorgan is not acting as a fiduciary or agent of the recipient, nor as an advisor to the recipient, including a "Municipal Advisor" as defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and in related rules (17 CFR Pars 200, 240, 249) and the contemplated transaction would be within the Bank exemption in such rules. This letter and any ensuing discussions regarding the potential transaction does not and will not constitute any recommendation or advice to the recipient irrespective of whether JPMorgan or any of its affiliate has provided other services, including advisory services, to the recipient. JPMorgan and its affiliates have financial and other interests that differ from those of the recipient and the recipient should consult with its own financial, legal, accounting, tax and other advisors to the extent it deems appropriate.

RESOLUTION

A RESOLUTION OF THE FAU FINANCE CORPORATION APPROVING THE ADJUSTMENT TO THE INTEREST RATE WITH RESPECT TO THE FAU FINANCE CORPORATION'S CAPITAL IMPROVEMENT REVENUE BOND (STUDENT HOUSING PROJECT), SERIES 2012B; DELEGATING TO THE CHAIRPERSON OR THE EXECUTIVE DIRECTOR THE AUTHORITY TO EXECUTE AND DELIVER AN AMENDMENT TO THE FIRST SUPPLEMENTAL TRUST INDENTURE RELATING TO SUCH ADJUSTMENT IN ACCORDANCE WITH THE TERMS SET FORTH HEREIN AND CERTAIN OTHER RELATED DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Finance Corporation previously issued its Capital Improvement Revenue Bond (Student Housing Project), Series 2012B in an aggregate principal amount of \$3,440,000 (the "2012B Bond") pursuant to the terms of the Trust Indenture dated as of July 1, 2012, by and between the Finance Corporation and the U.S. Bank National Association, as trustee (the "Trustee") as supplemented by the First Supplemental Trust Indenture dated as of November 1, 2012 by and between the Finance Corporation and the Trustee (collectively, the "Indenture"); and

WHEREAS, the 2012B Bond is held by JPMorgan Chase Bank, National Association (the "Holder"); and

WHEREAS, pursuant to the terms of the Indenture the Holder has the right to tender the 2012B Bond on July 1, 2019; and

WHEREAS, the Holder has delivered notice to the Finance Corporation containing the terms pursuant to which the Holder will continue to hold the 2012B Bond and waive its tender on July 1, 2019 as indicated in the letter dated April 5, 2019 (the "Notice"); and

WHEREAS, the Finance Corporation desires to accept the Holder's terms and adjust the interest rate in exchange for the waiver of the Holder's tender rights.

NOW, THEREFORE, BE IT RESOLVED BY THE FAU FINANCE CORPORATION:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is enacted pursuant to the provisions of the Act and the Indenture.

SECTION 2. FINDINGS. It is hereby found and determined that:

(A) It is the desire of the Finance Corporation to accept the terms of the Holder in order to avoid the cost of refunding the 2012B Bond.

(B) Dunlap & Associates, Inc., acting as the financial advisor to the Finance Corporation, has advised the Finance Corporation that the Holder's terms contained in the Notice are on the lower end of the current market.

SECTION 3. APPROVAL OF AMENDMENT TO FIRST SUPPLEMENTAL INDENTURE. The Finance Corporation hereby authorizes and delegates the authority to the Chairperson or the Executive Director to execute an amendment to the First Supplemental Indenture (the "Amendment") providing for the adjustment to the terms of the 2012B Bond. The Amendment shall be in a form acceptable to the Chairperson and the counsel to the Finance Corporation. Execution by the Chairperson or the Executive Director of the Amendment shall be deemed to be conclusive evidence of approval of such changes.

SECTION 4. GENERAL AUTHORITY. The members of the Finance Corporation's board of directors, the Chairperson, the Executive Director, and the officers, and other agents of the Finance Corporation (including, without limitation, the Finance Corporation's attorneys) are hereby authorized to do all acts and things required of them by this Resolution or the Amendment or desirable or consistent with the requirements of this Resolution or the Trust Indenture, and any related agreements such as security agreements or collateral assignment agreements, for the full punctual and complete performance of all the terms, covenants and agreements contained herein or therein, and each member, attorney and officer of the Finance Corporation and the Chairperson or the Executive Director are hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 5. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

SECTION 6. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

ADOPTED this April 18, 2019.

THE FAU FINANCE CORPORATION

(SEAL)

By: _____
Chairperson

ATTEST:

Secretary

EXHIBIT A

Notice from Holder

FAU FINANCE CORPORATION

Item: 3

BOARD OF DIRECTORS

Thursday, April 18, 2019

**SUBJECT: INTERIM FINANCIAL AND OPERATIONAL PERFORMANCE REPORT ON THE
FAU HOUSING SYSTEM, BOCA RATON CAMPUS FOR FISCAL YEAR 2018-19.**

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

The interim financial data of the Florida Atlantic University Finance Corporation (FAUFC) and report on the housing system for fiscal year 2018-19 is presented to keep the Board of Directors informed about the financial status of the FAUFC.

Supporting Documentation: Report on FAU Housing System

Presented by: Dr. Corey King

FLORIDA ATLANTIC UNIVERSITY



BE DARING. BE *bold*. BE FAU ♥



**Division of Student Affairs
Department of Housing and Residential Education**

**FAUFC Meeting
Housing Occupancy/Facilities
Updates
April 2019**





Occupancy Evaluation

	Actual FY14	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Budgeted FY20
Total Revenue (available beds)	4,102	4,055	4,165	4,165	4,165	4,165	4,071
4 th week of classes	3,617	3,512	3,988	4,117	4,182	4,361	4,071
% Occupancy	88.2%	86.6%	95.9%	98.8%	100.4%	104.7%	100.0%



Historical and Future Performance

FAU Finance Corporation Housing Performance Summary	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Budget FY19	Projected FY19	Approved Budget FY20
OPERATING REVENUES:							
Resident Housing Fees	\$ 30,026,721	\$ 34,591,281	\$ 36,053,816	\$ 36,579,297	\$ 36,025,027	\$ 37,400,000	\$ 36,491,028
Student Repair Fees	85,865	85,361	101,005	70,043	115,000	115,000	66,672
Application Fees	-	316,500	291,400	351,100	300,000	300,000	360,000
Conference/Guest Housing Fees/Orientation	720,315	427,413	340,280	400,452	370,000	370,000	505,129
Interest Income	52,287	186,660	200,736	54,230	200,000	200,000	54,231
TOTAL OPERATING REVENUES	\$ 30,885,188	\$ 35,607,215	\$ 36,987,237	\$ 37,455,122	\$ 37,010,027	\$ 38,385,000	\$ 37,477,060
TOTAL OPERATING EXPENSES	10,746,562	11,516,646	12,016,750	12,190,739	13,323,824	13,323,824	15,781,413
TOTAL NON-OPERATING EXPENSES	913,415	1,610,881	1,561,063	1,776,527	3,969,143	3,969,143	3,753,517
TOTAL EXPENSES	\$ 11,659,977	\$ 13,127,527	\$ 13,577,813	\$ 13,967,266	\$ 17,292,967	\$ 17,292,967	\$ 19,534,930
TOTAL DEBT SERVICE	17,068,930	17,090,381	16,909,447	17,117,843	16,720,400	16,720,400	15,612,175
NET REVENUES OVER EXPENSES	\$ 2,156,281	\$ 5,389,307	\$ 6,499,977	\$ 6,370,014	\$ 2,996,660	\$ 4,371,633	\$ 2,329,956
Budgeted Occupancy	87.0%	91.0%	93.0%	94.0%	98.0%		100.0%
Actual Occupancy - Reported Census	86.6%	95.9%	98.8%	100.4%	104.7%		
Budgeted DBF DSCR (GPT, HPT, ALG, IRT, UVA)	1.30	1.49	1.29	1.27	1.49		1.49
Actual - DBF SEC Disclosure DCSR	1.26	1.48	1.62	1.93		1.92	



Current Year Financial Review

FAU Housing System

For the Period Ended March 31, 2019

BUDGET vs. ACTUAL (FY19)	Annual Budget FY18	YTD FY19 (75%)	Budget vs. Actual % Variance
Total Revenues	37,010,027	35,969,163	97%
Operating Expenses:			
Payroll	5,367,055	4,958,218	92%
Other Expenses	7,956,769	5,387,872	68%
Total Operating Expenses	13,323,824	10,346,091	78%
Non-Operating Expenses			
Reserves	748,847	561,634	75%
Overhead	1,812,295	1,193,694	66%
Capital Projects *	1,408,000	516,388	37%
Total Non-Operating Expenses	3,969,142	2,271,715	57%
Total Expenses	17,292,967	12,617,806	73%
Revenue over Expense	19,717,060	23,351,357	118%

YEAR OVER YEAR CHANGE (FY19 vs. FY18)	YTD FY18(75%)	YTD FY19 (75%)	FY19 vs. FY18 \$ Variance
Total Revenues	34,714,693	35,969,163	1,254,470
Operating Expenses:			
Payroll	4,312,665	4,958,218	645,553
Other Expenses	4,500,378	5,387,872	887,494
Total Operating Expenses	8,813,042	10,346,091	1,533,049
Non-Operating Expenses			
Reserves	547,594	561,634	14,040
Overhead	926,392	1,193,694	267,302
Capital Projects *	2,483,938	516,388	(1,967,551)
Total Non-Operating Expenses	3,957,924	2,271,715	(1,686,209)
Total Expenses	12,770,967	12,617,806	(153,160)
Revenue over Expense	21,943,726	23,351,357	1,407,630

* Capital Projects are presented for budget purposes only. Capital projects are capitalized and included on the Balance Sheet.



Current Year Capital/R&R Maintenance

Re-roofing Project - GPT	\$1.4M	Completed: March 2019
HVAC project – GPT, IRT, HPT, ALG	\$5.7M	Complete: May 2019
Elevator Project - GPT	\$475K	Complete: April 2019
Room Security Card Access - IVA	\$570K	Complete: April 2019
Digital Security Cameras - IVA	\$270K	Complete: April 2019
Elevator Projects – HPT, IRT	\$700K	Scheduled: Summer 2019



FY21 Proposed Housing Rates

Florida Atlantic University Finance Corporation

On-Campus Rates - Per Semester - Proposed Rate Increase

	Historical Rates														Dollar Change	Weighted Avg. Increase 2.4%
	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21		
Algonquin Hall																
Single	2,260	2,260	2,373	2,519	2,684	2,825	2,966	3,000	3,300	3,300	3,300	3,300	3,300	-	-	-
Double	-	-	-	-	-	-	-	-	3,050	3,050	3,050	3,050	3,050	-	-	-
Indian River Towers																
Single	3,418	3,418	3,616	3,836	4,068	4,271	4,407	4,500	4,600	4,600	4,600	4,600	4,600	4,692	92	2.0%
Double	2,882	2,882	2,995	3,085	3,147	3,237	3,237	3,300	3,365	3,365	3,365	3,365	3,365	3,415	50	1.5%
University Village Apartments																
4-Bedroom (Single)	3,108	3,108	3,249	3,447	3,661	3,842	4,045	4,100	4,200	4,200	4,200	4,200	4,200	4,305	105	2.5%
4-Bedroom (Single, 12 months)	-	-	-	-	-	-	-	-	4,330	4,330	4,330	4,330	4,330	4,330	-	-
1-Bedroom (Single, Efficiency)	-	-	-	-	-	-	4,500	4,500	4,600	4,600	4,600	4,600	4,600	4,784	184	4.0%
Double (Studio)	2,712	2,712	2,769	2,853	2,910	2,995	3,085	3,100	3,100	3,100	3,100	3,100	3,100	3,177	77	2.5%
Studio (12 months)	-	-	-	-	-	-	-	-	5,100	5,100	5,100	5,100	5,100	5,178	78	1.5%
Business Professional Women's Hall	-	-	-	-	-	-	-	-	-	-	300	500	500	515	79	3.0%
Heritage Park Towers																
Single (Suite B)	3,164	3,164	3,305	3,503	3,712	3,899	4,012	4,100	4,160	4,160	4,160	4,160	4,160	4,243	83	2.0%
Double (Suite A)	2,656	2,656	2,712	2,797	2,853	2,938	2,938	3,000	3,050	3,050	3,050	3,050	3,050	3,096	46	1.5%
Double (Suite C)	2,938	2,938	3,051	3,237	3,435	3,537	3,537	3,600	3,650	3,650	3,650	3,650	3,650	3,723	73	2.0%
Glades Park Towers																
Single (Suite B)	3,164	3,164	3,305	3,503	3,712	3,899	4,012	4,100	4,160	4,160	4,160	4,160	4,160	4,243	83	2.0%
Double (Suite A)	2,656	2,656	2,712	2,797	2,853	2,938	2,938	3,000	3,050	3,050	3,050	3,050	3,050	3,096	46	1.5%
Double (Suite C)	2,938	2,938	3,051	3,237	3,435	3,537	3,537	3,600	3,650	3,650	3,650	3,650	3,650	3,723	73	2.0%
Innovation Village Apartments North																
4-Bedroom (Single)	-	-	-	-	4,599	4,859	5,006	5,100	5,180	5,180	5,180	5,180	5,180	5,335	155	3.0%
2-Bedroom (Single)	-	-	-	-	4,803	5,057	5,311	5,400	5,480	5,480	5,480	5,480	5,480	5,699	219	4.0%
1-Bedroom (Single)	-	-	-	-	-	-	5,537	5,600	5,680	5,680	5,680	5,680	5,680	5,879	199	3.5%
Innovation Village Apartments South																
4-Bedroom (Single)	-	-	-	-	4,475	4,690	4,690	4,800	5,180	5,180	5,180	5,180	5,180	5,335	155	3.0%
1-Bedroom (Single)	-	-	-	-	5,085	5,424	5,537	5,600	5,680	5,680	5,680	5,680	5,680	5,879	199	3.5%
Parliament Hall																
Single	-	-	-	-	-	-	4,407	4,500	4,600	4,600	4,600	4,600	4,600	4,738	138	3.0%
Double	-	-	-	-	-	-	3,237	3,300	3,365	3,365	3,365	3,365	3,365	3,449	84	2.5%
Jupiter																
4-Bedroom Suite	-	-	-	-	-	-	3,237	3,300	4,370	4,370	4,370	4,370	4,370	4,500	130	3.0%

FAU FINANCE CORPORATION

Item: 4

BOARD OF DIRECTORS

Thursday, April 18, 2019

**SUBJECT: REQUEST FOR APPROVAL OF THE FAU FINANCE CORPORATION'S
2019-20 OPERATING BUDGET.**

PROPOSED BOARD ACTION

Review and recommend approval of the FAUFC 2019-20 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 2019-20 FAUFC Operating Budget

Presented by: Mr. Art Kite

Florida Atlantic University Finance Corporation

Operating Budget FY 2020

	Housing	Administrative	Stadium	Total
	Approved by the FAUFC BOD October 30, 2018			
Operating Revenues:				
Pledged Revenue (95% Occupancy)	37,422,829	-	2,358,247	39,781,076
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	15,781,413	-	-	15,781,413
Other Operating Expenses	3,753,517	900,265	-	4,653,783
Total Operating Expenses	19,534,930	1,300,265	-	20,835,195
Net Operating Income	17,887,899	(1,300,265)	2,358,247	18,945,880
Nonoperating Revenues (Expenses):				
Investment Income	54,231	784,465	-	838,696
Depreciation	(6,000,000)	-	-	(6,000,000)
Bond Expenses:				
Bond Interest Expense	(8,457,175)	-	(2,358,247)	(10,815,421)
Babs Subsidy	-	-	-	-
Net Bond Interest Expense	(8,457,175)	-	(2,358,247)	(10,815,421)
Total Nonoperating Income (Expense)	(14,402,943)	784,465	(2,358,247)	(15,976,724)
Transfers:				
Transfer to Fund Scholarships (UMI)	-	275,000	-	275,000
Net Income (Financial Statement-accrual)	3,484,957	(790,800)	-	2,694,156

Florida Atlantic University

Stadium Operations

FY 2020

Pledged Revenues:

Ticket Sales/Premium/Priority Seating/Other Event Tickets	2,050,000
Game Guarantees	1,600,000
Student Fees (5% of prior year)	646,296
Corporate Sales	620,000
Catering/Concessions/Novelties	80,000
Facilities/Parking	1,440,000
Capital Gifts	75,000

Total Pledged Revenue	6,511,296
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Operating Expenses:

Salaries and Benefits	50,000
Utilities/Maintenance/Facility Rental	300,000
Replacement/Repairs Fund	430,000
Rental Expenses	445,000
Game day Expenses	1,289,784
Equipment/Supplies/Memberships	10,500
Debt Service	2,358,247

Total Expenses	4,883,531
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Total Revenue in excess of Expenses	1,627,765
	25%

Debt Covenant:

Pledged Revenues	6,511,296
Gross Debt Service	2,339,833

Debt Coverage Ratio	2.78
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