

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

AGENDA

Thursday, April 28, 2016 2:00 p.m.

President's Conference Room

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

1. Roll Call and Approval of the Draft Minutes of the November 20, 2015 Meeting of the FAUFC Board of Directors
2. Interim Financial and Operational Performance Report on the FAU Housing System, Boca Raton Campus for Fiscal Year 2015-16
3. Request for Approval of FAU Finance Corporation's 2016-17 Operating Budget

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Thursday, April 28, 2016

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE NOVEMBER 20, 2015 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETING.

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 November 20, 2015 FAU Finance Corporation board of Directors meeting.

BOARD MEMBERS

Mr. Anthony Barbar, Chair _____

Mr. Scott Adams, Vice Chair _____

Mr. Peter LoBello _____

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Friday, November 20, 2015 2:00 p.m.

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 1, 2015 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.

The meeting of the FAUFC BOD was convened at 2:05 p.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. Scott Adams, Vice Chair and Mr. Peter LoBello.

The following officers were in attendance: Ms. Dorothy Russell, Executive Director, and Ms. Stacey Semmel, Secretary/Treasurer.

The following guests were in attendance: Jessica Cohen, FAU Associate Controller; Mr. J. Craig Dunlap, President of Dunlap & Associates, Inc.; Ms. Sylvia Seaton-Dunlap, Senior Vice President of Dunlap & Associates, Inc.; Kenneth R. Artin, Esq., Attorney, Bryant Miller Olive; and, Ms. Jessica Camacho, Administrative Assistant/FAU-Financial Affairs.

A motion was made by Mr. Adams and seconded by Mr. Barbar to approve the minutes of the October 1, 2015 meeting without change or correction. The motion passed unanimously.

2. REFINANCING THE DIVISION OF BOND FINANCE SERIES 2003, SERIES 2006A AND SERIES 2006B BONDS.

Ms. Russell reminded the board that at the prior meeting, the successful intent of moving forward with the refinancing of these bonds was discussed briefly. She explained that the Stadium bonds would be deferred to a later time. Craig Dunlap & Associates solicited several vendors for the refinance and received proposals in late October. Ms. Russell, Ms. Semmel, Ms. Cohen and Mr. Dunlap reviewed all offers and chose Bank of America as the manager of the project with Morgan Stanley as the co-manager. The estimated return of present value is currently \$4.5M and the plan is to refinance as soon as possible. Contingent upon approval of this board, this will be presented at the December Board of Trustees meeting for their approval as well.

Upon question, Mr. Dunlap explained that with this type of refinance the underwriters discount is \$3.23 per thousand which is very reasonable and Bank of America was the least expensive of the five underwriter proposals received. Mr. Dunlap also explained that the market has shifted and is slightly better since October, however; the rates can continue to change into early 2016 when the process is complete and rates can be locked in.

A motion was made and seconded to approve Resolution FC-11-03-15B as presented. The motion passed unanimously.

4. ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 2:12 p.m.

FAU FINANCE CORPORATION

Item: 2

BOARD OF DIRECTORS

Thursday, April 28, 2016

**SUBJECT: INTERIM FINANCIAL AND OPERATIONAL PERFORMANCE REPORT
ON THE FAU HOUSING SYSTEM, BOCA RATON CAMPUS FOR FISCAL
YEAR 2015-16.**

PROPOSED BOARD ACTION

Information Only.

BACKGROUND INFORMATION

As requested by Board Members, a financial performance report will be presented to keep members abreast of financial issues associated with Boca Raton campus housing.

Dr. Corey King will review operating performance including occupancy rates.

Supporting Documentation: Summary Budget vs. Projected

Presented by: Ms. Dorothy Russell

Phone: 561-297-3267

FAU Housing System

For the Period Ended March 31, 2016

BUDGET vs. ACTUAL (FY16)	Annual Budget FY16	YTD FY16 (75%)	Budget vs. Actual % Variance
Total Revenues	33,322,722	32,787,929	98%
Operating Expenses:			
Payroll	4,514,530	3,251,939	72%
Other Expenses	6,927,346	3,748,322	54%
Total Operating Expenses	11,441,876	7,000,262	61%
Non-Operating Expenses			
Reserves	626,661	603,561	96%
Overhead	785,318	250,472	32%
Total Non-Operating Expenses	1,411,979	854,034	60%
Total Expenses	12,853,856	7,854,295	61%
Revenue over Expense	20,468,866	24,933,634	122%

YEAR OVER YEAR CHANGE (FY15 vs. FY16)	YTD FY15 (75%)	YTD FY16 (75%)	FY15 vs. FY15 \$ Variance
Total Revenues	28,363,801	32,787,929	4,424,128
Operating Expenses:			
Payroll	2,747,377	3,251,939	504,562
Other Expenses	3,652,519	3,748,322	95,803
Total Operating Expenses	6,399,896	7,000,262	600,366
Non-Operating Expenses			
Reserves	453,981	603,561	149,580
Overhead	229,770	250,472	20,702
Total Non-Operating Expenses	683,751	854,034	170,282
Total Expenses	7,083,647	7,854,295	770,648
Revenue over Expense	21,280,154	24,933,634	3,653,481

FAU FINANCE CORPORATION

Item: 3

BOARD OF DIRECTORS

Thursday, April 28, 2016

**SUBJECT: REQUEST FOR APPROVAL OF THE FAU FINANCE CORPORATION'S
2016-17 OPERATING BUDGET.**

PROPOSED BOARD ACTION

Review and recommend approval of the FAUFC 2016-17 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 2016-17 FAUFC Operating Budget

Presented by: Dorothy Russell

Phone: 561-297-3267

Florida Atlantic University Finance Corporation

Operating Budget FY 2017

	Housing	Administrative	Stadium	Total
	Approved by FAUFC BOD October 1, 2015			
Operating Revenues:				
Pledged Revenue (93% Occupancy)	35,247,894	-	2,672,562	37,920,456
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	12,589,342	-	-	12,589,342
Other Operating Expenses	1,597,024	790,685	-	2,387,709
Total Operating Expenses	14,186,365	1,190,685	-	15,377,051
Net Operating Income	21,061,530	(1,190,685)	2,672,562	22,543,406
Nonoperating Revenues (Expenses):				
Investment Income	78,000	469,205	-	547,205
Depreciation	(5,655,016)	-	-	(5,655,016)
Bond Expenses:				-
Bond Interest Expense	(10,090,637)	-	(3,448,394)	(13,539,031)
Babs Subsidy	2,680,927	-	775,832	3,456,759
Net Bond Interest Expense	(7,409,710)	-	(2,672,562)	(10,082,272)
Total Nonoperating Income (Expense)	(12,986,725)	469,205	(2,672,562)	(15,190,082)
Transfers:				
Transfer to Fund Scholarships (Up to)	-	2,000,000	-	2,000,000
Net Income (Financial Statement-accrual)	8,074,805	(2,721,480)	-	5,353,325

Florida Atlantic University

Stadium Operations

FY 2017

Pledged Revenues:

Ticket Sales/Other Event Tickets	1,400,000
Game Guarantees	1,300,000
Student Fees (5% of prior year)	600,000
Development/Corporate Sales	1,100,000
Catering/Concessions/Novelties	100,000
Facilities/Parking	610,000
Premium/Priority Seating	600,000
Naming Rights	400,000
Capital Gifts	350,000
Other Revenue	100,000

Total Pledged Revenue	6,560,000
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Operating Expenses:

Salaries and Benefits	48,686
Utilities/Maintenance/Facility Rental	511,314
Replacement/Repairs Fund	400,000
Rental Expenses	480,000
Game day Expenses	650,000
Advertising/Promotions	150,000
Insurances	5,000
Debt Service	2,672,562

Total Expenses	4,917,562
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Total Revenue in excess of Expenses	1,642,438
	25%

Debt Covenant:

Pledged Revenues	6,560,000
BABS	775,832
Gross Debt Service	3,448,394

Debt Coverage Ratio	2.13
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