

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

AGENDA

Annual Meeting

Wednesday, October 26, 2016 2:00 p.m.

President's Conference Room

Boca Raton Campus, Building 10, Room 340

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

1. Roll Call and Approval of the Draft Minutes of the April 28, 2016 Meeting of the FAUFC Board of Directors
2. Nominations and Elections of Elected Directors
3. Nominations and Elections of Officers
4. Review of the Audited FAU Finance Corporation Financial Report for the Year Ended June 30, 2016
5. Housing Report as of August 31, 2016
6. Request for Approval of the 2017-18 Housing Budget and Rental Rates
7. Adjournment of Meeting

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Wednesday, October 26, 2016

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE APRIL 28, 2016 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 April 28, 2016 FAU Finance Corporation board of Directors meeting.

BOARD MEMBERS

Mr. Anthony Barbar, Chair ___

Mr. Scott Adams, Vice Chair ___

Mr. J. Michael Woody ___

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, April 28, 2016 2:00pm

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE NOVEMBER 20, 2015 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.

The meeting of the FAUFC BOD was convened by Mr. Anthony Barbar, Chair. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD participating: Mr. Anthony Barbar 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:

Dr. Corey King, Vice President of Student Affairs; Mr. Patrick Chun, Vice President of Intercollegiate Athletics; Mr. Michael Cocuzza, Director of Finance Administration and Budgets for the Division of Student Affairs; Ms. Michelle Smith, Regional VP of Operations for FAU Housing/Capstone-on-Campus; Ms. Jessica Cohen, Associate Controller; Mr. Brian Battle, Associate Athletic Director & Ms. Elizabeth Rubin, Associate General Counsel.

A motion was made and seconded to approve the minutes of November 20, 2015 meeting without change or correction. **The motion passed unanimously.**

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

Ms. Russell provided an overview on the housing system performance through March 31, 2016 and reported that revenues are at 122% of what was budgeted and the occupancy rate is at 93%. Expenditures are currently less than budgeted, therefore; overall revenue over expenses is \$3.5M. There is a healthy fund balance of \$14M and will grow by year end to nearly \$18M.

Dr. King added that the focus on returning students to fill beds has been successful and there will be 400 more returning students residing in on-campus housing than the prior year.

3. REQUEST FOR APPROVAL OF FAU FINANCE CORPORATION'S 2016-17 OPERATING BUDGET.

Ms. Russell explained that the operating budget includes the administrative and stadium portion of the Finance Corporation along with housing, which had been set at the last meeting. With a growing \$10M fund balance, Ms. Russell is requesting that the FAUFC fund \$2M in athletic scholarships.

Mr. Chun informed the board that scholarship support for athletics is imperative due to cost of attendance. It also includes summer school for several sports programs which assists in progress

towards earning a degree and team development. Additionally, Mr. Chun stated that the athlete graduation success rate has increased along with the overall GPA.

The board determined that the FAUFC has the ability to fund up to \$4M for athletic scholarships, which gives Ms. Russell the authority to make the determination based on need. An update will be provided upon establishment of funds required.

A motion was made and seconded to approve the FAUFC 2016-17 Operating Budget as presented with a change from \$2M to up to \$4M in athletic scholarship funding. **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 2:24 p.m.

FAU FINANCE CORPORATION

Item: 2

BOARD OF DIRECTORS

Wednesday, October 26, 2016

SUBJECT: NOMINATIONS AND ELECTIONS OF ELECTED DIRECTORS.

PROPOSED BOARD ACTION

Nomination and election of Elected Director(s).

BACKGROUND INFORMATION

The nomination and election of a Director will commence due to a vacancy created by a recent resignation. The new Director will be presented to the Board of Trustees at the next meeting. Directors are eligible to serve two consecutive terms at four years in length.

Supporting Documentation: N/A

Presented by: Anthony Barbar

Phone: 561-405-0625

FAU FINANCE CORPORATION

Item: 3

BOARD OF DIRECTORS

Wednesday, October 26, 2016

SUBJECT: NOMINATIONS AND ELECTIONS OF OFFICERS.

PROPOSED BOARD ACTION

Nominations and elections of Officers.

BACKGROUND INFORMATION

The FAU Finance Corporation By-laws require the nomination and election of Officers to the board every two years. The officers are as follows:

Chair – Anthony Barbar

Vice Chair – Scott Adams

Secretary/Treasurer – Stacey Semmel

Supporting Documentation: N/A

Presented by: Dorothy Russell

Phone: 561-297-3267

FAU FINANCE CORPORATION

Item: 4

BOARD OF DIRECTORS

Wednesday, October 26, 2016

**SUBJECT: REVIEW OF THE AUDITED FAU FINANCE CORPORATION FINANCIAL
REPORT FOR THE YEAR ENDED JUNE 30, 2016.**

PROPOSED BOARD ACTION

Information Only.

BACKGROUND INFORMATION

The audited financial statements of the Florida Atlantic University Finance Corporation (FAUFC) are presented to keep the Board of Directors informed about the financial status of the FAUFC. The audited financial statements are for the fiscal year ending June 30, 2016.

Supporting Documentation: FAUFC Financial Report Year Ended June 30, 2016

Presented by: Keefe McCullough CPA's + Trusted Advisors

FAU FINANCE CORPORATION

Item: 5

BOARD OF DIRECTORS

Wednesday, October 26, 2016

SUBJECT: HOUSING REPORT AS OF AUGUST 31, 2016.

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

The interim financial data as of August 31, 2016 of the Florida Atlantic University Finance Corporation (FAUFC) is presented to keep the Board of Directors informed about the financial status of the FAUFC.

Supporting Documentation: FAU Housing System – Financial Comparisons

Presented by: Ms. Dorothy Russell

FAU Housing System

For the Period Ended August 31, 2016

	Annual Budget FY17	Actual Year to Date FY17 (16%)	Budget vs. Actual % Variance
Total Revenues	35,325,894	16,915,997	48%
Operating Expenses:			
Payroll	4,708,927	400,762	9%
Other Expenses	7,880,414	719,040	9%
Total Operating Expenses	12,589,342	1,119,802	9%
Non-Operating Expenses			
Reserves	670,855	120,071	18%
Overhead	926,169	35,596	4%
Total Non-Operating Expenses	1,597,024	155,667	10%
Total Expenses	14,186,366	1,275,469	9%
Revenue over Expense	21,139,528	15,640,528	74%

	Actual Year to Date FY16 (16%)	Actual Year to Date FY17 (16%)	FY17 vs. FY16 \$ Variance
Total Revenues	14,627,330	16,915,997	2,288,667
Operating Expenses:			
Payroll	453,925	400,762	(53,163)
Other Expenses	468,414	719,040	250,626
Total Operating Expenses	922,339	1,119,802	197,463
Non-Operating Expenses			
Reserves	111,128	120,071	8,943
Overhead	37,899	35,596	(2,303)
Total Non-Operating Expenses	149,027	155,667	6,640
Total Expenses	1,071,366	1,275,469	204,103
Revenue over Expense	13,555,964	15,640,528	2,084,564

FAU FINANCE CORPORATION

Item: 6

BOARD OF DIRECTORS

Wednesday, October 26, 2016

SUBJECT: REQUEST FOR APPROVAL OF THE 2017-18 HOUSING BUDGET AND RENTAL RATES.

PROPOSED BOARD ACTION

Review and recommend approval of the proposed Housing rental rates and projected budget for 2017-18.

BACKGROUND INFORMATION

The Department of Housing and Residential Life is not proposing any rate increases for the 2017-18 fiscal year.

Supporting Documentation: Housing Powerpoint Presentation

Presented by: Dr. Corey King

Florida Atlantic University Finance Corporation												
Housing FY 17-18 Budget												
	Algonquin	UVA	IRT	HPT	GPT	IVAN	IVAS	PAR	Total FY178 Residence Halls	Admin.	Total FY18 - All Operations	
OPERATING REVENUES:												
Resident Housing Fees	679,800	3,435,600	4,387,175	3,430,200	4,936,990	6,322,180	5,951,640	5,904,170	35,047,755	-	35,047,755	Resident Housing Fees
Student Repair Fees	2,478	11,891	16,004	15,872	15,872	15,952	15,793	16,136	110,000	-	110,000	Student Repair Fees
Application Fees	-	-	-	-	-	-	-	-	-	316,500	316,500	Application Fees
Conference/Guest Housing Fees	-	-	173,320	100,000	100,000	-	-	-	373,320	-	373,320	Conference/Guest Housing Fees
Interest Income	-	-	-	-	-	-	-	-	-	50,000	50,000	Interest Income
TOTAL OPERATING REVENUES	682,278	3,447,491	4,576,499	3,546,072	5,052,862	6,338,132	5,967,433	5,920,306	35,531,075	366,500	35,897,575	TOTAL OPERATING REVENUES
OPERATING EXPENSES:												OPERATING EXPENSES:
Salaries and Benefits	115,099	264,393	287,122	263,420	287,135	251,748	243,959	264,965	1,977,841	1,707,000	3,684,841	Salaries and Benefits
OPS	15,795	108,645	133,647	144,564	133,647	-	-	282,832	819,131	386,677	1,205,808	OPS
Management Fee	14,599	69,616	93,897	93,129	93,129	93,897	92,975	16,741	567,983	-	567,983	Management Fee
Utilities	85,700	455,300	505,700	356,700	360,700	344,700	251,700	374,700	2,735,200	134,500	2,869,700	Utilities
Maintenance	57,650	215,040	128,550	178,750	126,450	201,000	258,850	146,500	1,312,790	54,800	1,367,590	Maintenance
Service Contracts	19,500	173,700	81,600	80,000	79,450	148,300	148,300	155,800	886,650	173,450	1,060,100	Service Contracts
Admin and Supplies	4,598	12,595	12,555	26,795	18,063	11,142	18,642	10,203	114,592	85,217	199,809	Admin and Supplies
Marketing and Printing	-	950	-	950	950	1,200	1,200	100	5,350	220,000	225,350	Marketing and Printing
Training and Development	2,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	51,000	73,000	124,000	Training and Development
Special Projects (Technology)	1,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	176,000	-	176,000	Special Projects (Technology)
Special Projects (Residential Life)	1,000	6,750	8,550	10,150	10,150	7,750	7,750	15,250	67,350	275,000	342,350	Special Projects (Residential Life)
Special Projects (Academic Partnerships/Initiatives)	-	-	-	-	-	-	-	-	-	350,000	350,000	Special Projects (Academic Partnerships)
Special Projects (Maintenance/R&R/Capital Plan)	-	181,950	84,500	100,000	10,000	71,000	341,000	72,000	860,450	-	860,450	Special Projects (Maintenance/R&R/Capital Plan)
Contingency	-	-	-	-	-	-	-	-	-	79,973	79,973	Contingency
TOTAL OPERATING EXPENSES	316,941	1,520,938	1,368,122	1,286,458	1,151,674	1,162,737	1,396,376	1,371,091	9,574,337	3,539,617	13,113,954	TOTAL OPERATING EXPENSES
Net Operating Revenue Over Operating Expense	365,337	1,926,553	3,208,378	2,259,614	3,901,188	5,175,395	4,571,057	4,549,215	25,956,738	(3,173,117)	22,783,621	Net Operating Revenue Over Expense
Non-Operating Expenses												Non-Operating Expenses
Repair and Replacement Fund	13,596	68,712	87,744	68,604	98,740	127,256	127,256	138,218	730,125	-	730,125	Repair and Replacement Fund
Overhead/Student Affairs Allocation - Transfers Out	15,453	104,887	111,833	115,480	106,629	89,234	118,785	129,247	791,549	403,249	1,194,798	Overhead/Student Affairs Allocation - Transfers Out
TOTAL NON-OPERATING EXPENSES	29,049	173,599	199,576	184,084	205,369	216,490	246,041	267,465	1,521,674	403,249	1,924,923	TOTAL NON-OPERATING EXPENSES
TOTAL EXPENSES	345,990	1,694,538	1,567,698	1,470,543	1,357,043	1,379,227	1,642,417	1,638,556	11,096,012	3,942,866	15,038,877	TOTAL EXPENSES
Net Revenue Over Expenses	336,288	1,752,954	3,008,802	2,075,530	3,695,819	4,958,905	4,325,016	4,281,750	24,435,063	(3,576,366)	20,858,698	Net Revenue Over Expense
DEBT SERVICE:	-	1,004,994	1,576,938	1,473,413	1,717,173	4,119,046	4,119,046	3,107,234	17,117,843	-	17,117,843	DEBT SERVICE
Net Revenue Over Expenses before Depreciation	336,288	747,960	1,431,864	602,117	1,978,647	839,858	205,970	1,174,516	7,317,220	(3,576,366)	3,740,854	TOTAL REVENUES OVER EXPENSES
Depreciation Expense	-	-	-	-	-	-	-	-	-	5,539,738	5,539,738	Depreciation Expense
TOTAL REVENUES OVER EXPENSES	336,288	747,960	1,431,864	602,117	1,978,647	839,858	205,970	1,174,516	7,317,220	(9,116,104)	(1,798,884)	TOTAL REVENUES OVER EXPENSES
Bed Design												Bed Design
Total Bed Design	94	451	607	602	602	605	599	612	4,172	-	4,172	Total Bed Design
Less Non-Revenue Beds:									-	-	-	Less Non-Revenue Beds:
Staff	-	-	1	-	-	1	2	-	4	-	4	Staff
Tour Rooms	-	1	1	-	-	1	-		3	-	3	Tour Rooms
Total Revenue Bed Design	94	450	605	602	602	603	597	612	4,165	-	4,165	Available Revenue beds

October 2016



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

**FAUFC Meeting
Housing Updates/
Budget Proposal**

Making Waves



Occupancy Evaluation

	Actual FY14	Actual FY15	Actual FY16	Actual FY17	Budget FY18
Total Revenue (available beds)	4,102	4,055	4,165	4,165	4,165
4 th week of classes	3,617	3,512	3,988	4,117	3,915
% Occupancy	88.2%	86.6%	95.9%	98.8%	94.0%

Making Waves

FY18 Proposed Rates

No Proposed Rate Increases for FY18

Florida Atlantic University Finance Corporation						
On-Campus Rates - Per Semester - Housing FY 17-18 Budget						
	Historical Rates			Current	Proposed	% Change
	FY14	FY15	FY16	FY17	FY18	FY17 vs. FY18
Algonquin Hall						
Single	2,966	3,000	3,300	3,300	3,300	0.0%
Double				3,050	3,050	0.0%
Indian River Towers						
Double	3,237	3,300	3,365	3,365	3,365	0.0%
Single	4,407	4,500	4,600	4,600	4,600	0.0%
University Village Apartments						
4-Bedroom (Single)	4,045	4,100	4,200	4,200	4,200	0.0%
4-Bedroom (Single, 12 months)			4,330	4,330	4,330	0.0%
Double (Studio)	3,085	3,100	3,100	3,050	3,050	0.0%
1-Bedroom (Single, Efficiency)	4,500	4,500	4,600	4,600	4,600	0.0%
Studio (12 months)			5,100	5,100	5,100	0.0%
Heritage Park Towers						
Double (Suite A)	2,938	3,000	3,050	3,050	3,050	0.0%
Double (Suite C)	3,537	3,600	3,650	3,650	3,650	0.0%
Single (Suite B)	4,012	4,100	4,160	4,160	4,160	0.0%
Glades Park Towers						
Double (Suite A)	2,938	3,000	3,050	3,050	3,050	0.0%
Double (Suite C)	3,537	3,600	3,650	3,650	3,650	0.0%
Single (Suite B)	4,012	4,100	4,160	4,160	4,160	0.0%
Innovation Village Apartments North						
4-Bedroom (Single)	5,006	5,100	5,180	5,180	5,180	0.0%
2-Bedroom (Single)	5,311	5,400	5,480	5,480	5,480	0.0%
1-Bedroom (Single)	5,537	5,600	5,680	5,680	5,680	0.0%
Innovation Village Apartments South						
4-Bedroom (Single)	4,690	4,800	5,180	5,180	5,180	0.0%
1-Bedroom (Single)	5,537	5,600	5,680	5,680	5,680	0.0%
Parliament Hall						
Double	3,237	3,300	3,365	3,365	3,365	0.0%
Single	4,407	4,500	4,600	4,600	4,600	0.0%
Jupiter						
4-Bedroom Suite	3,237	3,300	4,300	4,300	4,300	0.0%



Revenue & Expense Analysis

FAU Finance Corporation Housing FY2017-18 Budget Summary				
	Actual FY15	Actual FY16	Budgeted FY17	Proposed FY18
OPERATING REVENUES:				
Resident Housing Fees	30,026,721	34,591,281	34,450,894	35,047,755
Student Repair Fees	85,865	85,361	103,000	110,000
Application Fees	-	316,500	275,000	316,500
Conference/Guest Housing Fees/Orientation	720,315	427,413	418,450	373,320
Interest Income	52,287	186,660	78,000	50,000
TOTAL OPERATING REVENUES	30,885,188	35,607,215	35,325,343	35,897,575
TOTAL OPERATING EXPENSES	10,746,562	11,516,646	12,589,342	13,113,954
TOTAL NON-OPERATING EXPENSES	913,415	1,610,881	1,597,024	1,924,923
TOTAL EXPENSES	11,659,977	13,127,527	14,186,365	15,038,877
TOTAL DEBT SERVICE	17,068,930	17,090,381	17,112,976	17,117,843
NET REVENUES OVER EXPENSES	2,156,281	5,389,307	4,026,001	3,740,854
Budgeted Occupancy	87%	91%	93%	94%
Occupancy Rate as reported 4th Week of Classes	87%	96%	99%	-
Budgeted Debt Service Coverage Ratio	1.89	2.27	2.37	2.69
Continuing Disclosure Debt Service Coverage Ratio	2.29	3.03	-	-



FY18 Housing Maintenance- \$2.3 Million

	ALG	HPT	GPT	IRT	UVA	IVA-N	IVA-S	PAR	Admin
Exterior Windows	✓				✓				
Lighting Fixtures		✓	✓	✓					✓
Roofing/Restorations			✓						
Plumbing Fixtures	✓	✓		✓					
Furniture/Bed Frames/Mattresses		✓	✓	✓	✓	✓	✓	✓	
Walkways/Paintings					✓				

Proposed HVAC project **\$5.2M**

Making Waves