

FLORIDA ATLANTIC UNIVERSITY 2004-2005 UNIVERSITY OPERATING BUDGET JULY 1, 2004 TO DECEMBER 31, 2004 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.

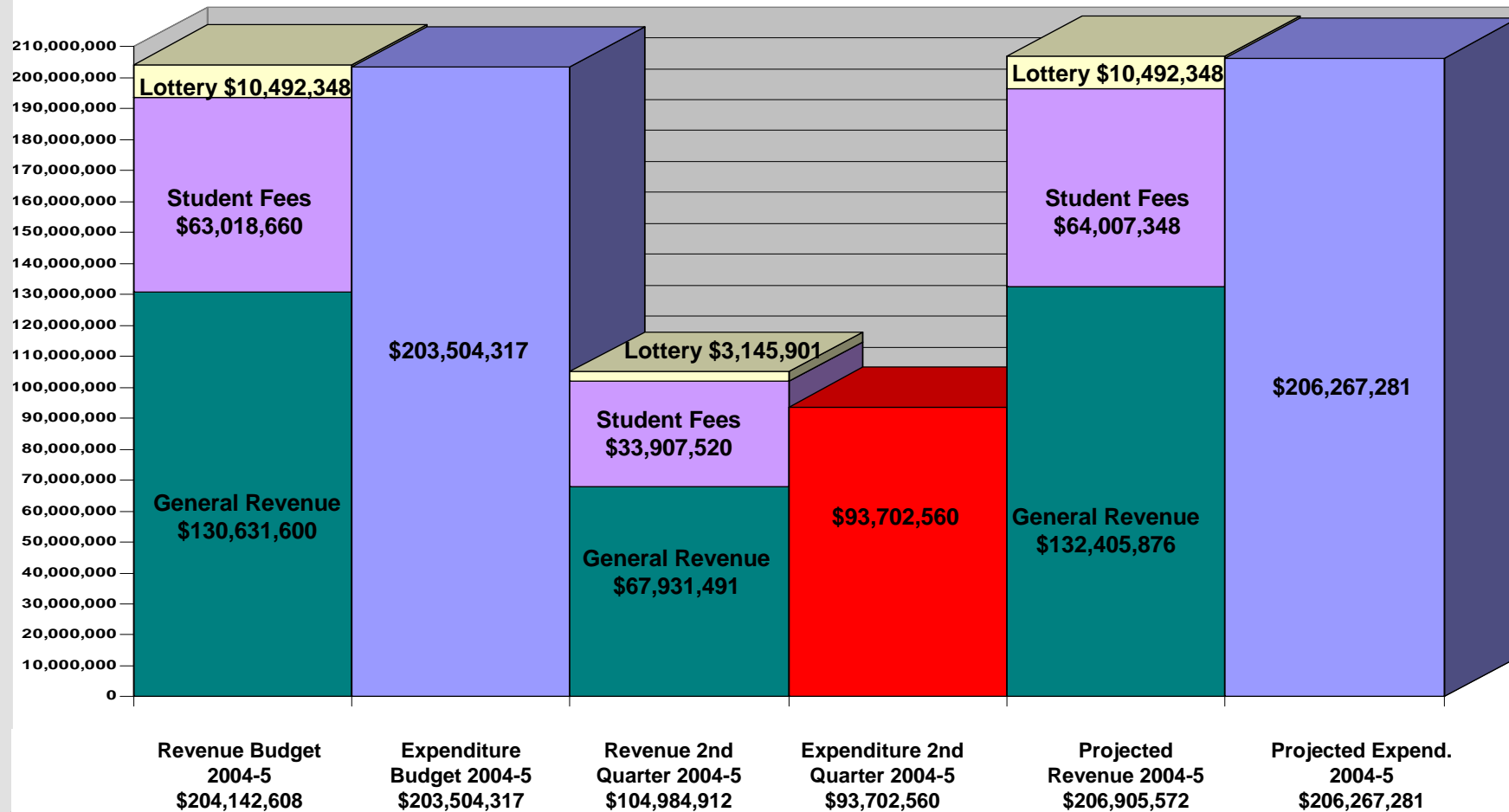
Student Fee Trust Fund, consisting primarily of matriculation fees and tuition (out-of-state fees) paid by students, as well as other fees such as application and late registration fees.

Florida Atlantic University

Educational and General Operating Budget

July 1, 2004 – December 31, 2004

Second Quarter Report



Educational and General Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05 \$206,905,572

Actual Revenues to Dec. 31 \$104,984,912

Projected Expenses 2004-05 \$206,267,281

Actual Expenses to Dec. 31 \$93,702,560

The total budgeted revenue for 2004-2005 is \$204,142,608. This amount is \$813,999 higher than the BOT approved budget due to Board of Governor's Amendments for insurance (\$175,708) and additional student fee collections (\$638,291). The major revenue components are general revenue (\$130,631,600), student fees (\$63,018,660), and lottery funding (\$10,492,348).

For the second quarter, actual revenue collections are general revenue of \$67,931,491, student fees of \$33,907,520, and lottery funding of \$3,145,901.

The current total expense budget for 2004-2005 is \$206,267,281. This amount does not reflect the BOG adjustment of student fees as it appears that this estimate was based upon a higher level of out-of-state students than is likely to be achieved. As these revenues are achieved, a budget amendment may be recommended by the President. Total expenditures through December 31 were \$93,702,560, or approximately 45.43 percent of the total projected budget amount. Payroll of \$71.7 million and operating expenses of almost \$22 million account for total expenditures. Total expenditures are slightly above the spending rate of the previous year – 45.43 percent compared to 45.33 percent in 2003-04.

The President is requesting an additional budget amendment of \$988,688 for emergency hurricane repairs (\$500,000) and branding/40th Anniversary and other activities (\$488,688). This amount will be taken from excess student fee collections associated with over-enrollments in 2003-04. It is anticipated that the hurricane expenses will be reimbursed through FEMA and insurance reimbursements. Additionally, a non-recurring increase of \$1,774,276 in General Revenue was provided by the Board of Governor to support the \$1,000 legislative bonus awarded to employees on December 1. This will increase projected revenues and expenditures to \$206,905,572 and \$206,267,281, respectively.

Educational and General Operating Budget

Analysis:

General revenue collections are projected to reach their targeted amounts. Due to stronger than anticipated growth in sales and documentary stamp tax collections, revenue collections for the State continue to be strong and exceed estimates by approximately 2 percent and prior year actual results by over 9 percent. With anticipated economic recovery, a robust real estate market, and increased spending dedicated to hurricane-related damages, total revenues for the State should continue to be strong.

Student fee collections continue to be slightly below projected amounts at this time. We are cautiously optimistic that projected collections will be achieved. While overall credit hour enrollment is expected to be achieved due to higher than projected undergraduate enrollments, graduate enrollments are likely to be four percent below the funded plan.

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 2004-05:

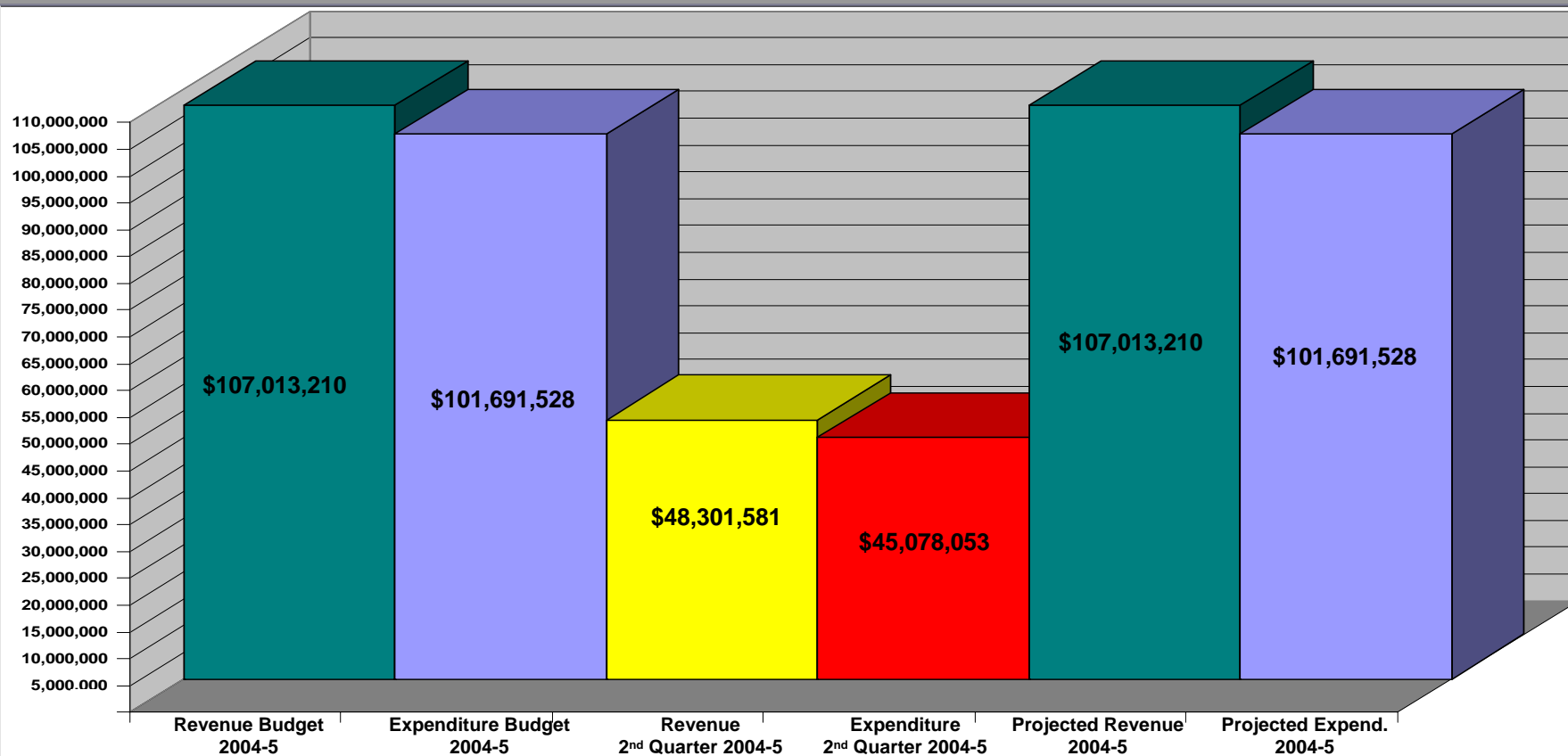
\$ 3.40	Undergraduate In-State
\$23.25	Undergraduate Out-of-State
\$ 9.55	Graduate In-State
\$39.90	Graduate Out-of-State

Florida Atlantic University

Student Financial Aid Operating Budget

July 1, 2004 – December 31, 2004

Second Quarter Report



Student Financial Aid Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05	\$107,013,210	Actual Revenues to Dec. 31	\$48,301,581
Projected Expenses 2004-05	\$101,691,528	Actual Expenses to Dec. 31	\$45,078,053

The total budgeted revenue for 2004-2005 is \$107,013,210. As of December 31, 2004, \$48,301,581 in revenue has been generated, or approximately 45 percent of the total budget. Total projected expenditures for the year are \$101,691,528. To date, \$45,078,053 has been expended, or approximately 44 percent of total projected expenditures for the year.

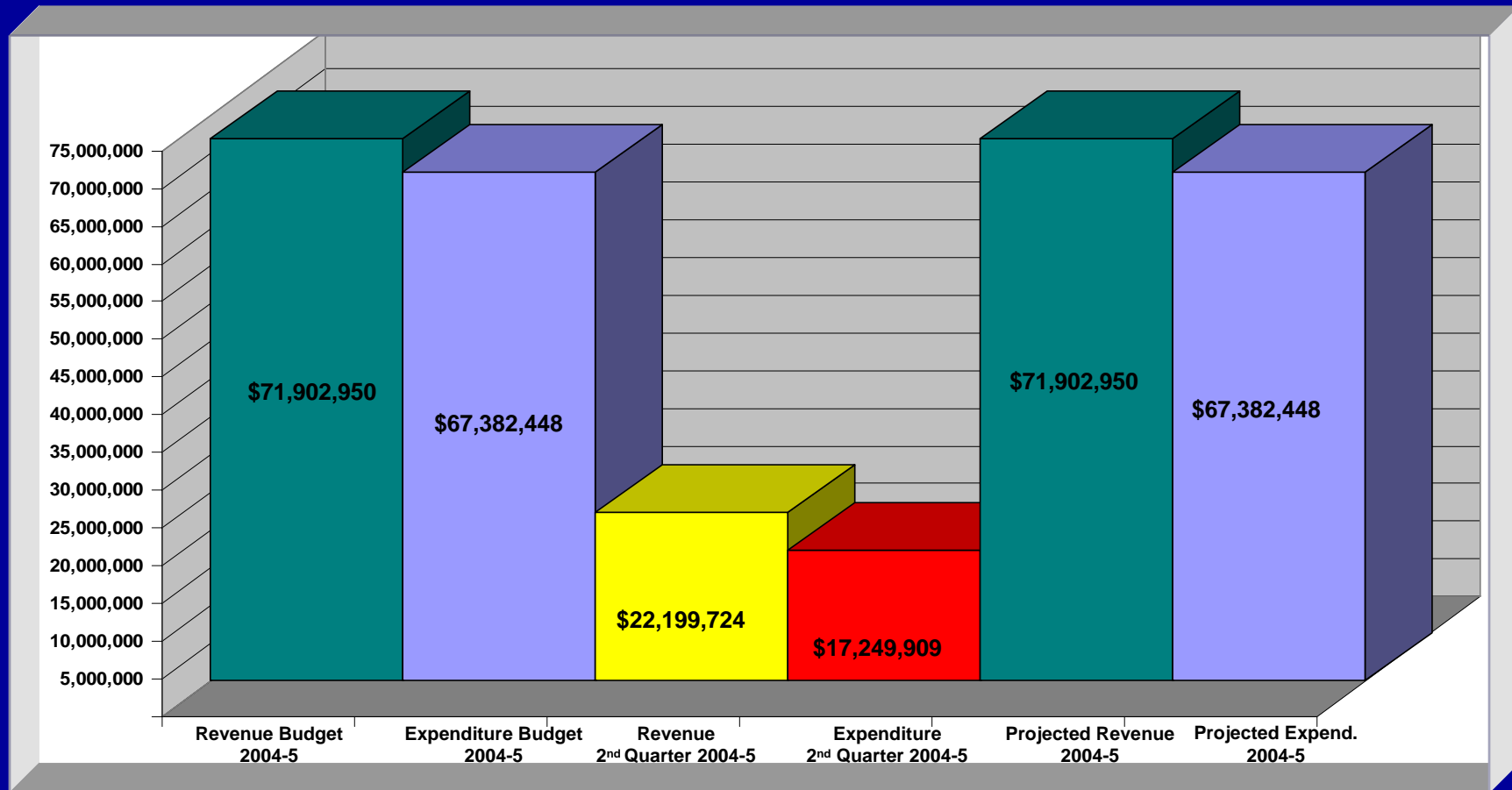
Analysis:

The amount of expenditures to date for 2004-05 is greater than the percentage spent in the prior year (44 percent for 2004-05 compared to 40 percent for 2003-04). Improvements in financial aid distribution as a result of the new BANNER system allowed awards to be distributed more efficiently with almost all Fall semester awards being distributed before September 30. Revenue and expenditures are believed to be on target with projections.

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 existing and proposed research projects and programs.

Florida Atlantic University Grants and Contracts Operating Budget July 1, 2004 – December 31, 2004 Second Quarter Report



Grants and Contracts Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05 \$71,902,950 Actual Revenues to Dec.31 \$22,199,724

Projected Expenses 2004-05 \$67,382,448 Actual Expenses to Dec. 31 \$17,249,909

The total budgeted revenue for 2004-2005 is \$71,902,950 and budgeted expenses are \$67,382,448. As of December 31, 2004, \$22,199,724 in revenue has been generated, approximately 31 percent of the budgeted amount. \$17,249,909 has been expended, or approximately 26 percent of the total expenditure budget.

The major revenue components are federal awards of approximately \$11,812,000 (53 percent of revenue to date), private awards of \$7,541,000 (34 percent) and state and local awards of \$1,776,000 (8 percent).

Of total expenditures to date, salaries and benefits total \$9,510,477 (55 percent of total expenditures); OPS of \$3,917,359 (23 percent); and expense of \$3,822,073 (22 percent).

Analysis:

The Division of Research and Graduate Studies 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

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 (\$5.00 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

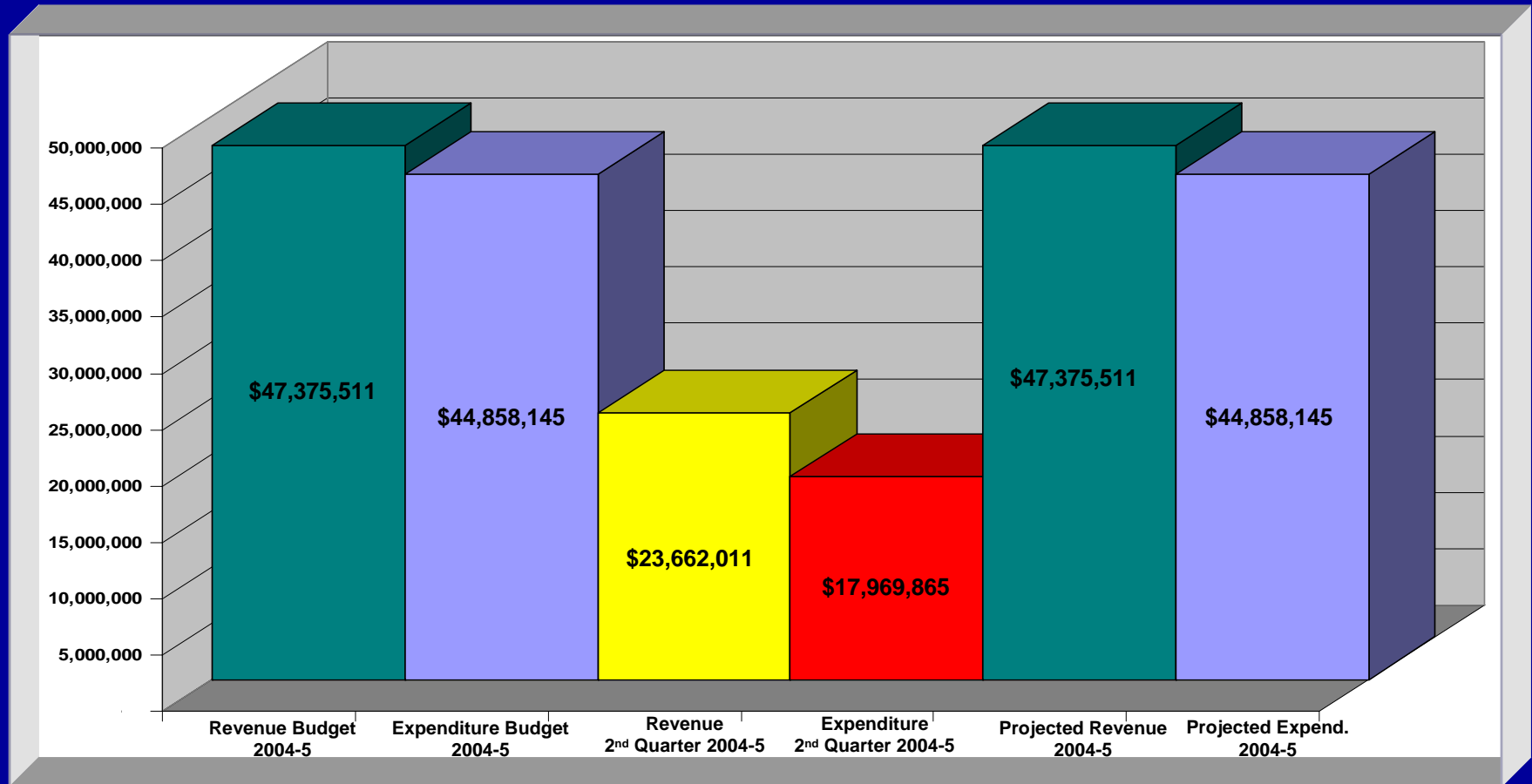
Traffic and Parking

University Center

College Continuing Education

Lifelong Learning Society

Florida Atlantic University Auxiliary Enterprises Operating Budget July 1, 2004 – December 31, 2004 Second Quarter Report



Auxiliary Enterprises Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05 \$47,375,511 Actual Revenues to Dec. 31 \$23,662,011

Projected Expenses 2004-05 \$44,858,145 Actual Expenses to Dec. 31 \$17,969,865

The total budgeted revenue for 2004-2005 is \$47,375,511. As of December 31, 2004, \$23,662,011 in revenue has been generated, or approximately 50 percent of the total budget. Total projected expenditures for the year are \$44,858,145. To date, \$17,969,865 has been expended, or approximately 40 percent of total projected expenditures for the year.

Analysis:

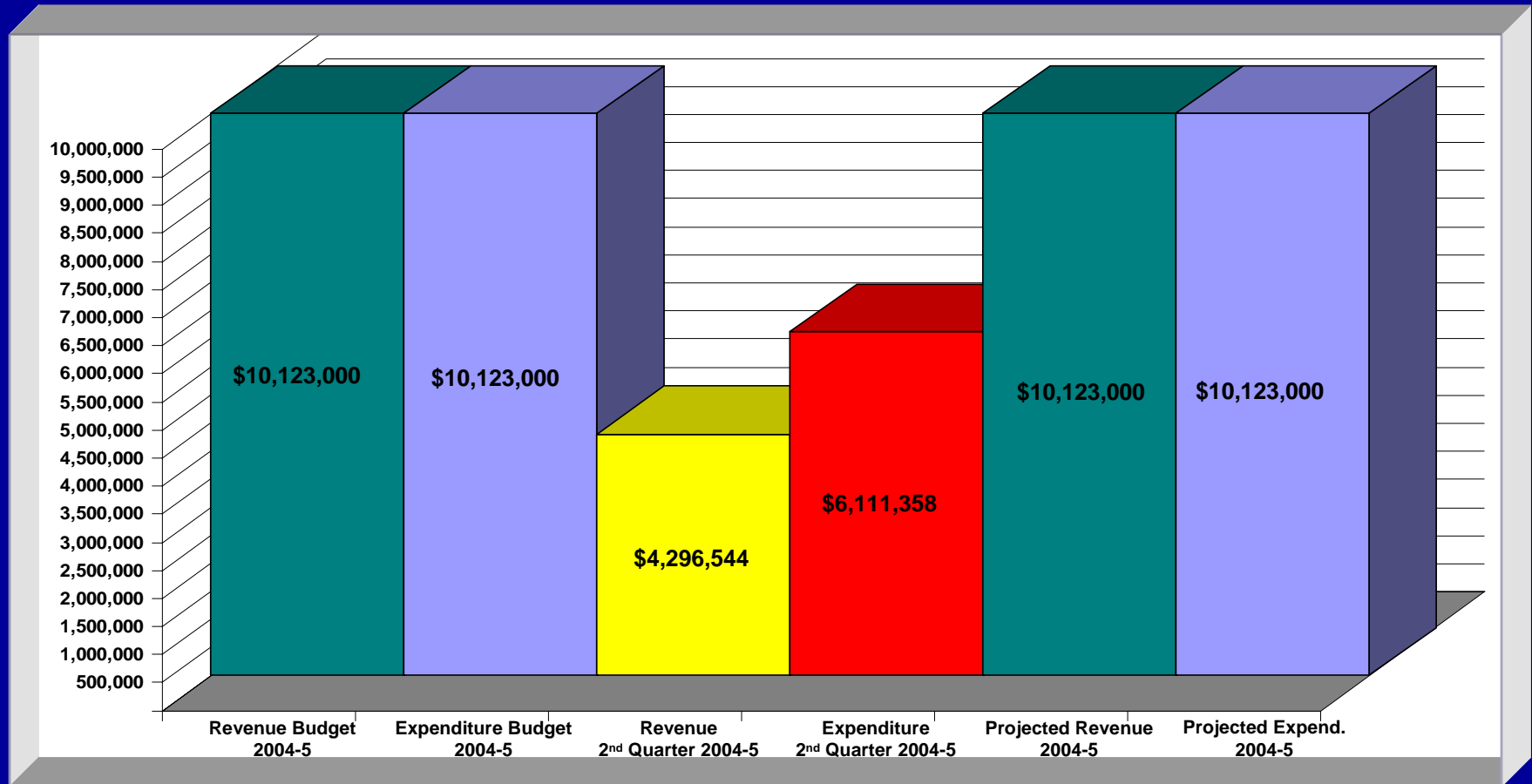
The expenditures to date for 2004-05 are slightly greater than the percentage spent in the prior year (40 percent for 2004-05 compared to 38 percent for 2003-04). Revenue and expenditures for the year are believed to be on target with projections.

THE ATHLETICS LOCAL OPERATING BUDGET

The Athletics Local Operating Budget supports the University's student athletics program. Funding is generated from student athletics fees (\$11.75 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, 2004 – December 31, 2004 Second Quarter Report



Athletics Local Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05 \$10,123,000

Actual Revenues to Dec. 31 \$4,296,544

Projected Expenses 2004-05 \$10,123,000

Actual Expenses to Dec. 31 \$6,111,358

The total budgeted revenue for 2004-2005 is \$10,123,000. The major revenue components are athletics fees (\$6,641,570), ticket sales (\$471,500), and corporate sales/private support (\$2,196,330).

Of these major revenue components, actual collections are athletics fees of \$2,964,723, ticket sales of \$282,045, and corporate sales/private support of \$179,085.

The total expense budget for 2004-2005 is \$10,123,000. Payroll of \$4,069,677, program operating expenses of \$3,474,463, and scholarships of \$2,578,860 account for this total. Total expenditures through December 31 were \$6,111,358, or approximately 60 percent of the total budgeted amount. Of total expenditures to date, 24 percent (\$1,488,195) were financial aid and 33 percent (\$2,027,088) were payroll.

Analysis:

Athletic fee collections are projected to reach their targeted amounts. For comparison purposes, approximately \$6.5 million was collected last year.

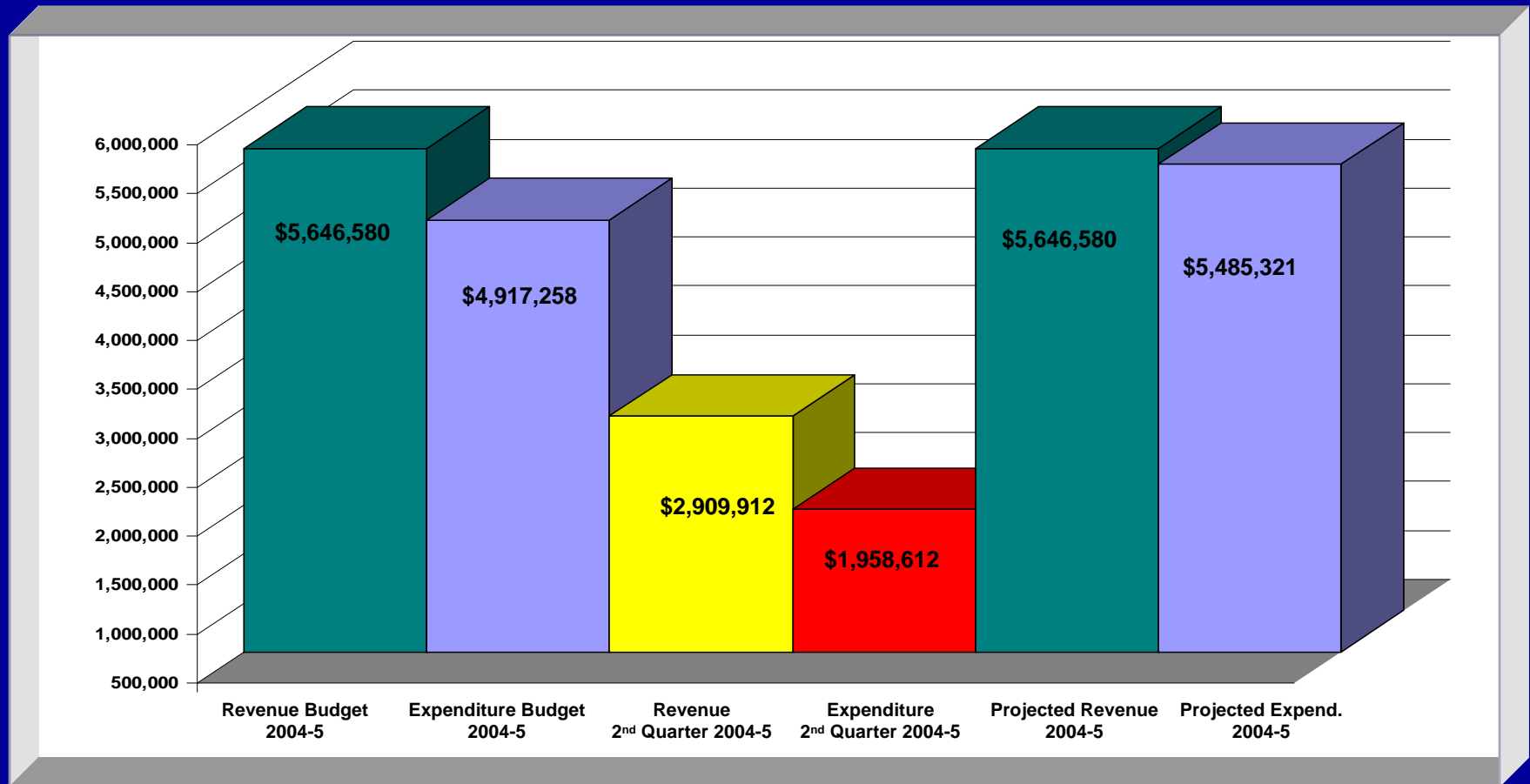
Ticket revenues are lower than anticipated at this point. With football season over, ticket sales revenue is now projected at \$320,000, a reduction of \$151,500 to the original estimate. This reduction will be offset by a projected increase in revenue from NCAA distributions, ASUN distributions, and game guarantees.

Corporate sales and private support have reached only 8.2 percent of their projected amounts as of December 31. It is expected that an additional \$100,000 to \$125,000 can be generated through June 30, 2005, but this will leave a shortfall of \$1.75 million. The Board will be asked to approve a loan from the auxiliary trust fund to cover the shortfall.

THE STUDENT GOVERNMENT- STUDENT ACTIVITIES BUDGET

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 through the Activity and Service fee paid by students (\$10 per-credit hour).

Florida Atlantic University Student Government – Student Activities Operating Budget July 1, 2004 – December 31, 2004 Second Quarter Report



Student Government- Student Activities Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05 \$5,646,580 Actual Revenues to Dec. 31 \$2,909,912

Projected Expenses 2004-05 \$5,485,321 Actual Expenses to Dec. 31 \$1,958,612

The total budgeted revenue for 2004-2005 is \$5,646,580. As of December 31, 2004, \$2,909,912 in revenue has been generated, or approximately 52 percent of the total projected revenue budget. These funds have been generated by Activity and Service fees. Total projected expenditures for the year are estimated at \$5,488,321. To date, \$1,958,612 has been expended, or approximately 36 percent of total projected expenditures for the year.

Student Government requested a budget amendment last quarter to increase expenditures by \$568,063. Revenues during the current year and excess revenue from last year can support this request.

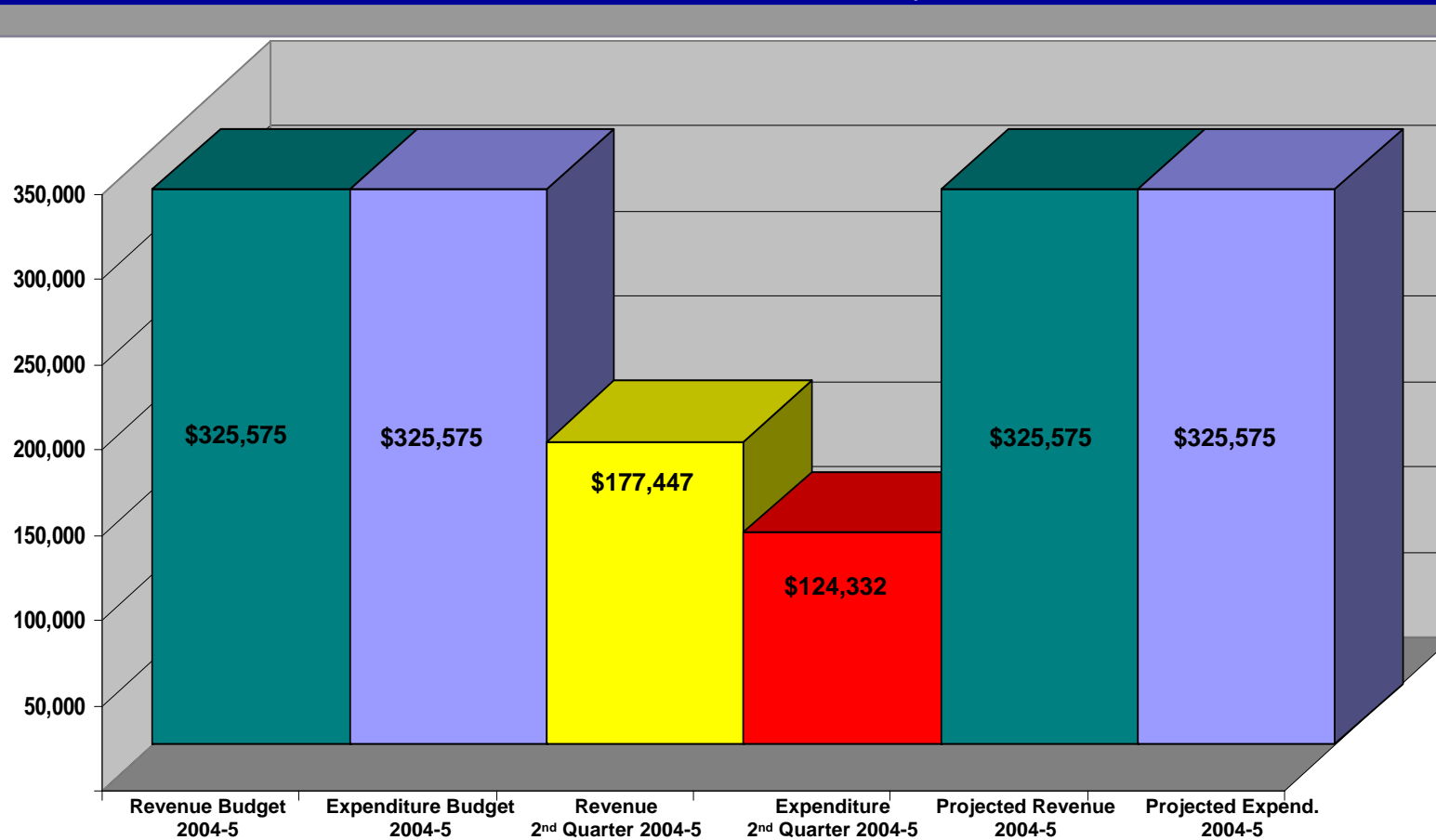
Analysis:

The expenditures to date for 2004-05 are lower than the percentage spent in the prior year (36 percent for 2004-05 compared to 48 percent for 2003-04). Revenue and expenditures for the current year, including budget amendments, are believed to be on target with projections.

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, 2004 – December 31, 2004 Second Quarter Report



Concessions Operating Budget

July 1, 2004 to December 31, 2004

Projected Revenues 2004-05 \$325,575 Actual Revenues to Dec. 31 \$177,447

Projected Expenses 2004-05 \$325,575 Actual Expenses to Dec. 31 \$124,332

The total budgeted revenue for 2004-2005 is \$325,575. As of December 31, 2004, \$124,332 has been expended, or approximately 38 percent of the total budget.

Analysis:

The amount of expenditures to date for 2004-05 is greater than the percentage spent in the prior year, but within the range of appropriate (50 percent) expenditures for the second quarter. Revenue and expenditures are believed to be on target with projections.

FLORIDA ATLANTIC UNIVERSITY

OPERATING BUDGET STATUS AS OF December 31, 2004

SUMMARY COMPARISONS

- *Year-to-Date Expenditures for Fiscal Year 2004-05*
- *Year-to-Date Expenditures for Fiscal Year 2003-04*

- *Year-to-Date Student Credit Hours for Fiscal Year 2004-05*
- *Year-to-Date Student Credit Hours for Fiscal Year 2003-04*

- *Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2004-05*
- *Year-to-Date Expenditures by Activity in Dollars for Fiscal Year 2003-04*

- *Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2004-05*
- *Year-to-Date Expenditures by Activity in Percentages for Fiscal Year 2003-04*

**FLORIDA ATLANTIC UNIVERSITY
OPERATING BUDGET STATUS
AS OF DECEMBER 31, 2004**

	YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2004-05					YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2003-04				
	Expenditures	Operating Budget	Remainder	% of Budget Spent	Cash & Investments	Expenditures	Budget	Remainder	% of Budget Spent	
Educational & General	\$ 93,702,560	\$ 206,267,281	\$ 112,564,721	45.43%	\$ 19,196,575	\$ 83,027,989	\$ 183,150,784	\$ 100,122,795	45.33%	
Student Financial Aid	45,078,053	101,691,528	56,613,475	44.33%	3,071,889	35,407,844	87,995,115	52,587,271	40.24%	
Sponsored Research / other Grants	17,249,909	67,382,448	50,132,539	25.60%	11,225,958	22,813,241	55,065,596	32,252,355	41.43%	
Auxiliary Enterprises	17,969,865	44,858,145	26,888,280	40.06%	31,447,341	14,653,838	38,884,867	24,231,029	37.69%	
Athletics	6,111,358	10,123,000	4,011,642	60.37%	(1,730,574)	4,825,701	8,982,192	4,156,491	53.73%	
Student Activities	1,958,612	5,485,321	3,526,709	35.71%	2,526,205	2,263,931	4,699,312	2,435,381	48.18%	
Concessions	124,332	325,575	201,243	38.19%	191,043	85,031	325,575	240,544	26.12%	
Total	\$ 182,194,689	\$ 436,133,298	\$ 253,938,609	41.78%	\$ 65,928,437	\$ 163,077,575	\$ 379,103,441	\$ 216,025,866	43.02%	

STUDENT CREDIT HOURS

FISCAL YEAR 2004-05 AS OF 12/31/2004					FISCAL YEAR 2003-04			
Semester	Actual	Budget	Difference	% Variance	Actual	Budget	Difference	% Variance
Summer	94,050	94,867	(817)	-0.86%	92,268	87,937	4,331	4.93%
Fall (estimate)	238,176	236,020	2,156	0.91%	233,005	216,677	16,328	7.54%
Spring (estimate)	225,940	222,352	3,588	1.61%	215,660	201,290	14,370	7.14%
Total	558,166	553,239	4,927	0.89%	540,933	505,904	35,029	6.92%

**FLORIDA ATLANTIC UNIVERSITY
OPERATING BUDGET STATUS
EXPENDITURES BY CATEGORY AS OF DECEMBER 31, 2004**

EXPENDITURES BY ACTIVITY - DOLLAR AMOUNTS

	YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2004-05				YEAR - TO - DATE EXPENDITURES FISCAL YEAR 2003-04			
	Salaries & Benefits	OPS	Expense	Total	Salaries & Benefits	OPS	Expense	Total
Educational & General	\$ 63,344,819	\$ 8,361,855	\$ 21,995,886	\$ 93,702,560	\$ 55,414,160	\$ 8,280,197	\$ 19,333,632	\$ 83,027,989
Student Financial Aid	150,418	328,399	44,599,236	45,078,053	150,004	390,349	34,867,491	35,407,844
Sponsored Research / other Grants	9,510,477	3,917,359	3,822,073	17,249,909	9,275,809	3,961,234	9,576,198	22,813,241
Auxiliary Enterprises	5,397,433	1,687,508	10,884,924	17,969,865	4,714,117	2,117,796	7,821,925	14,653,838
Athletics	1,805,814	221,274	4,084,270	6,111,358	1,617,378	241,083	2,967,240	4,825,701
Student Activities	61,003	456,937	1,440,672	1,958,612	65,174	530,086	1,668,671	2,263,931
Concessions	-	-	124,332	124,332	-	-	85,031	85,031
Total	\$ 80,269,964	\$ 14,973,332	\$ 86,951,393	\$ 182,194,689	\$ 71,236,642	\$ 15,520,745	\$ 76,320,188	\$ 163,077,575

EXPENDITURES BY ACTIVITY - PERCENT OF TOTAL

	FISCAL YEAR 2004-05 AS OF 12/31/2004				FISCAL YEAR 2003-04 AS OF 12/31/2003			
	Salaries & Benefits	OPS	Expense	Total	Salaries & Benefits	OPS	Expense	Total
Educational & General	67.60%	8.92%	23.47%	100.00%	66.74%	9.97%	23.29%	100.00%
Student Financial Aid	0.33%	0.73%	98.94%	100.00%	0.42%	1.10%	98.47%	100.00%
Sponsored Research / other Grants	55.13%	22.71%	22.16%	100.00%	40.66%	17.36%	41.98%	100.00%
Auxiliary Enterprises	30.04%	9.39%	60.57%	100.00%	32.17%	14.45%	53.38%	100.00%
Athletics	29.55%	3.62%	66.83%	100.00%	33.52%	5.00%	61.49%	100.00%
Student Activities	3.11%	23.33%	73.56%	100.00%	2.88%	23.41%	73.71%	100.00%
Concessions	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Total	44.06%	8.22%	47.72%	100.00%	43.68%	9.52%	46.80%	100.00%