

FLORIDA ATLANTIC UNIVERSITY 2004-2005 UNIVERSITY OPERATING BUDGET JULY 1, 2004 TO MARCH 31, 2005 THIRD 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

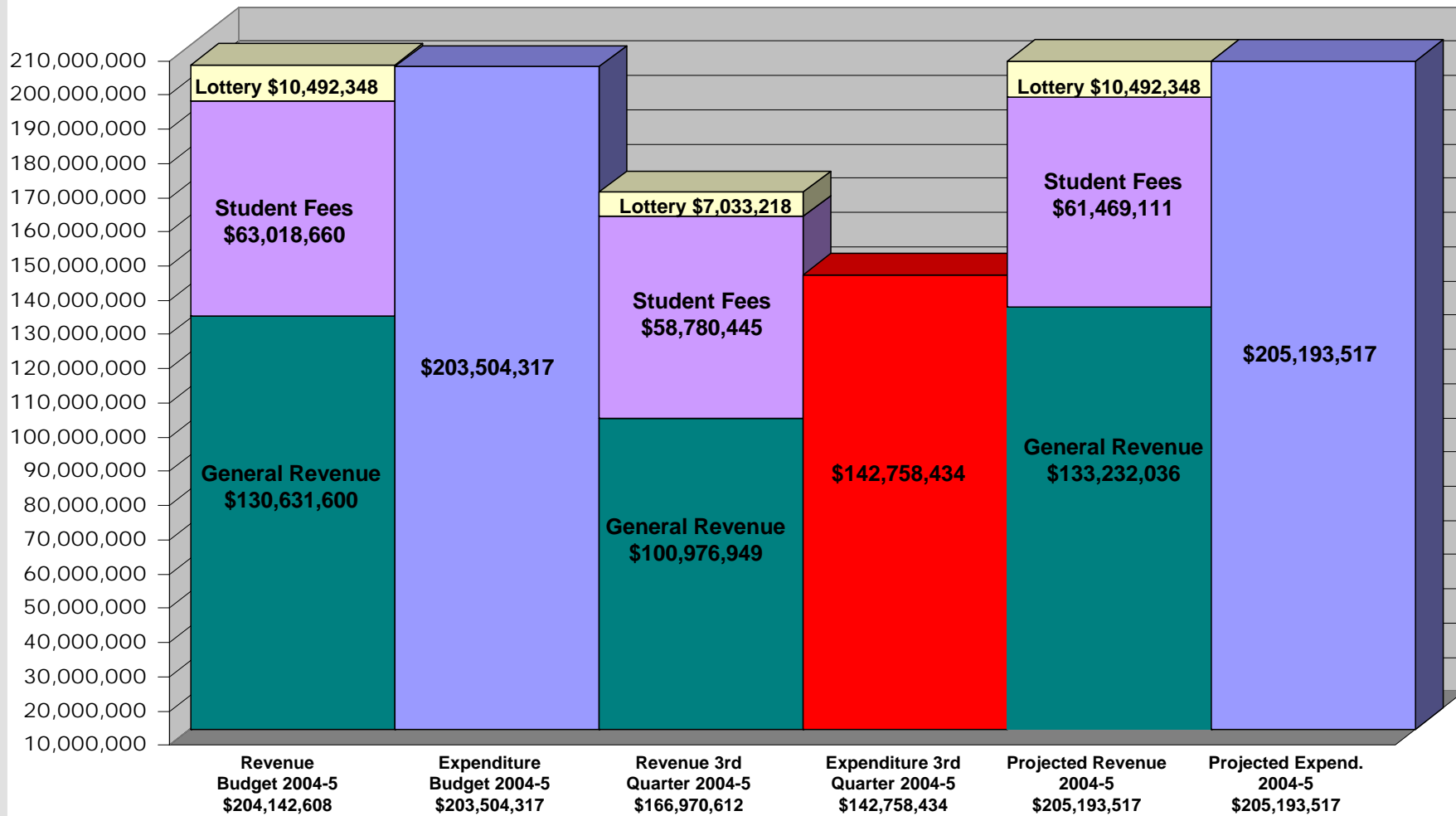
The Educational and General budget includes expenditures for instruction, research, library and learning resources, student services, plant operations and maintenance and administrative support. The budget is funded by:

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 – March 31, 2005 Third Quarter Report



Educational and General Operating Budget

July 1, 2004 to March 31, 2005

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

Actual Revenues to Mar. 31 \$166,970,612

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

Actual Expenses to Mar. 31 \$142,758,434

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 third quarter, actual revenue collections are general revenue of \$100,976,949, student fees of \$58,780,445, and lottery funding of \$7,033,218, for total revenue of \$166,970,612.

The current total expense budget for 2004-2005 is \$203,504,317. This amount does not reflect the \$638,291 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. Total expenditures through March 31 were \$142,758,434, or approximately 69.57 percent of the total projected budget amount. Payroll of \$109.2 million and operating expenses of almost \$33.5 million account for total expenditures. Total expenditures are below the spending rate of the previous year – 69.57 percent compared to 74.91 percent in 2003-04.

The President requested an additional budget amendment of \$988,688 for emergency hurricane repairs (\$500,000) and branding/40th Anniversary and other activities (\$488,688). This amount was 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; FEMA visited all FAU campuses affected by the hurricanes two weeks ago and reviewed repairs and expenditures. Additionally, a non-recurring increase of \$1,828,622 in General Revenue was provided by the Board of Governor to support the \$1,000 legislative bonus awarded to employees on December 1 and \$771,814 for health insurance increases.

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. The State revenue estimating conference of April 11, 2005 projected an additional \$2 billion for the upcoming year.

Student fee collections continue to be below projected amounts at this time. While overall credit hour enrollment is expected to be achieved due to higher than projected undergraduate enrollments, graduate enrollments are likely to be 7.8 percent below the funded plan. Since January, expenditures have been carefully monitored. As previously mentioned, year-to-date expenditures are 69.57 percent compared to 74.91 percent last year. It is recommended that the expenditure budget be reduced by approximately \$1.9 million to accurately align student fee collections with the lower graduate enrollments. These reductions will be achieved through salary savings and postponement of expense and equipment purchases.

Lottery revenue is projected to be fully achieved.

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:

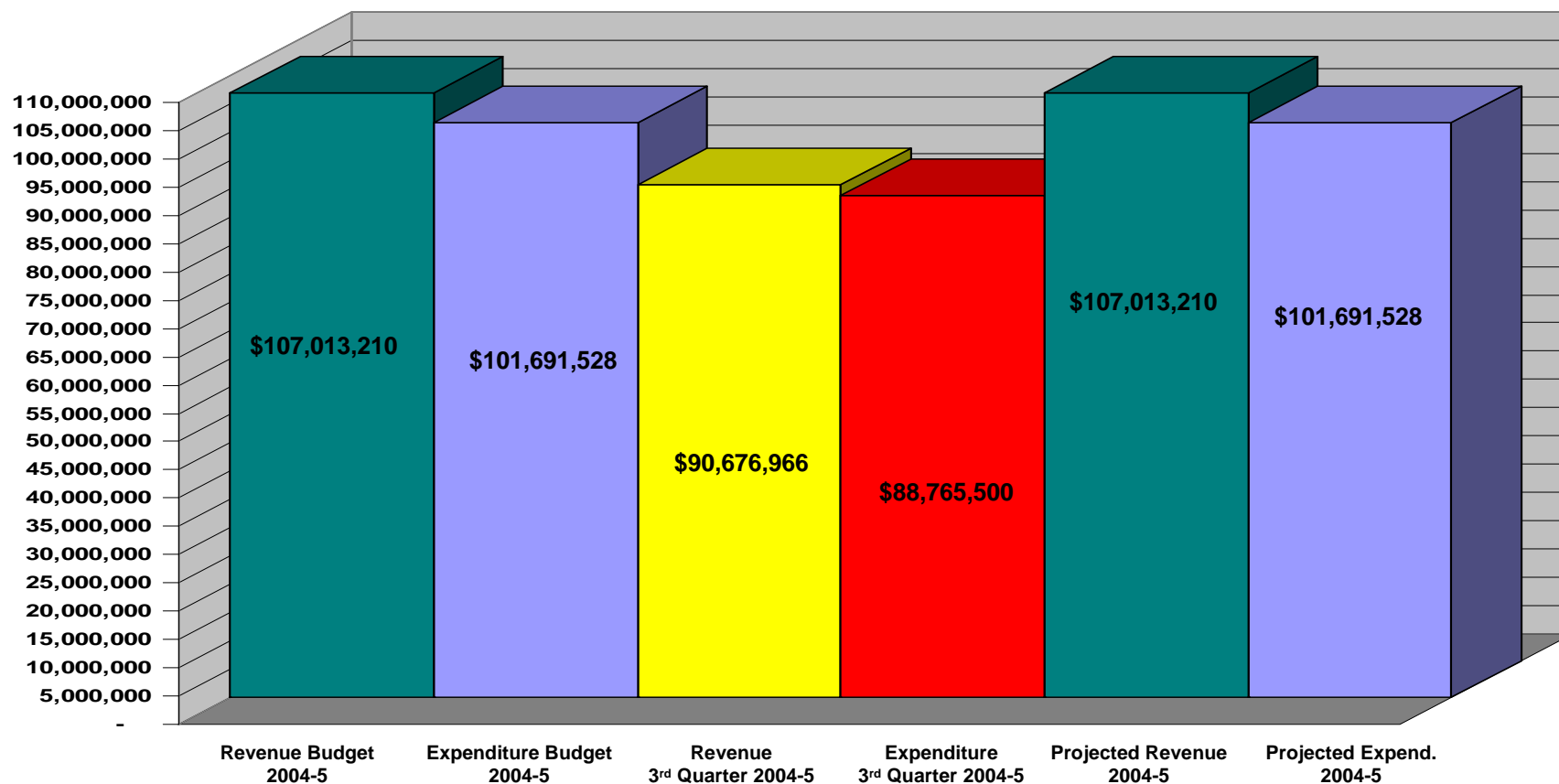
\$ 3.40	Undergraduate In-State
\$23.25	Undergraduate Out-of-State
\$ 9.55	Graduate In-State
\$39.90	Graduate Out-of-State

Florida Atlantic University

Student Financial Aid Operating Budget

July 1, 2004 – March 31, 2005

Third Quarter Report



Student Financial Aid Operating Budget

July 1, 2004 to March 31, 2005

Budgeted Revenues 2004-05 \$107,013,210 Actual Revenues to Mar. 31 \$90,676,966

Budgeted Expenses 2004-05 \$101,691,528 Actual Expenses to Mar. 31 \$88,765,500

The total budgeted revenue for 2004-2005 is \$107,013,210. As of March 31, 2005, \$90,676,966 in revenue has been generated, or approximately 85 percent of the total budget. Total projected expenditures for the year are \$101,691,528. To date, \$88,765,500 has been expended, or approximately 87 percent of total projected expenditures for the year.

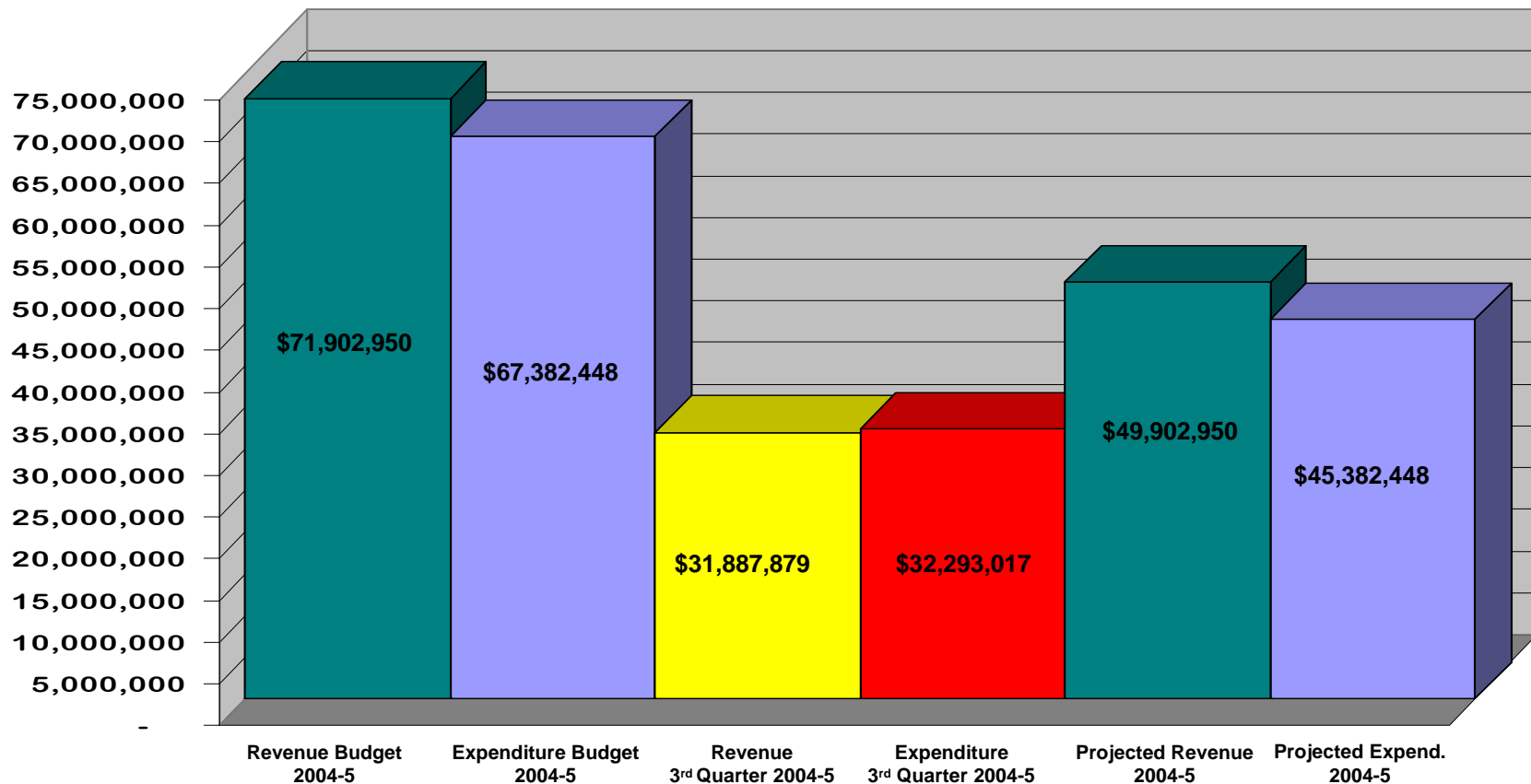
Analysis:

The amount of expenditures to date for 2004-05 is greater than the percentage spent in the prior year (87 percent for 2004-05 compared to 78 percent for 2003-04). Improvements in financial aid distribution as a result of the new BANNER system allowed awards to be distributed more efficiently. 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 – March 31, 2005 Third Quarter Report



Grants and Contracts Operating Budget

July 1, 2004 to March 31, 2005

Budgeted Revenues 2004-05 \$71,902,950

Actual Revenues to Mar.31 \$31,887,879

Budgeted Expenses 2004-05 \$67,382,448

Actual Expenses to Mar. 31 \$32,293,017

The total budgeted revenue for 2004-2005 is \$71,902,950 and budgeted expenses are \$67,382,448. As of March 31, 2005, \$31,887,879 in revenue has been generated, approximately 44 percent of the budgeted amount. \$32,293,017 has been expended, or approximately 48 percent of the total expenditure budget.

The major revenue components are federal awards of approximately \$15,945,000 (56 percent of revenue to date), private awards of \$9,268,000 (33 percent) and state and local awards of \$2,267,000 (8 percent).

Of total expenditures to date, salaries and benefits total \$14,617,014 (45 percent of total expenditures); OPS of \$5,973,121 (18 percent); and expense of \$11,702,882 (36 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. For the third quarter, expenditures exceed revenues by \$405,138. This is the result of a delay in the FAU Foundation transfer of funds for February and March for reimbursements of expenditures incurred. Expenditures are primarily for salaries and benefits for eminent scholars, professorships, and principal investigators on grants.

In discussions with Sponsored Research, budgeted revenues and expenditures are greater than needed. Both are being reduced by \$22 million, resulting in \$49,902,950 in budgeted revenues and \$45,382,448 in budgeted expenditures.

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

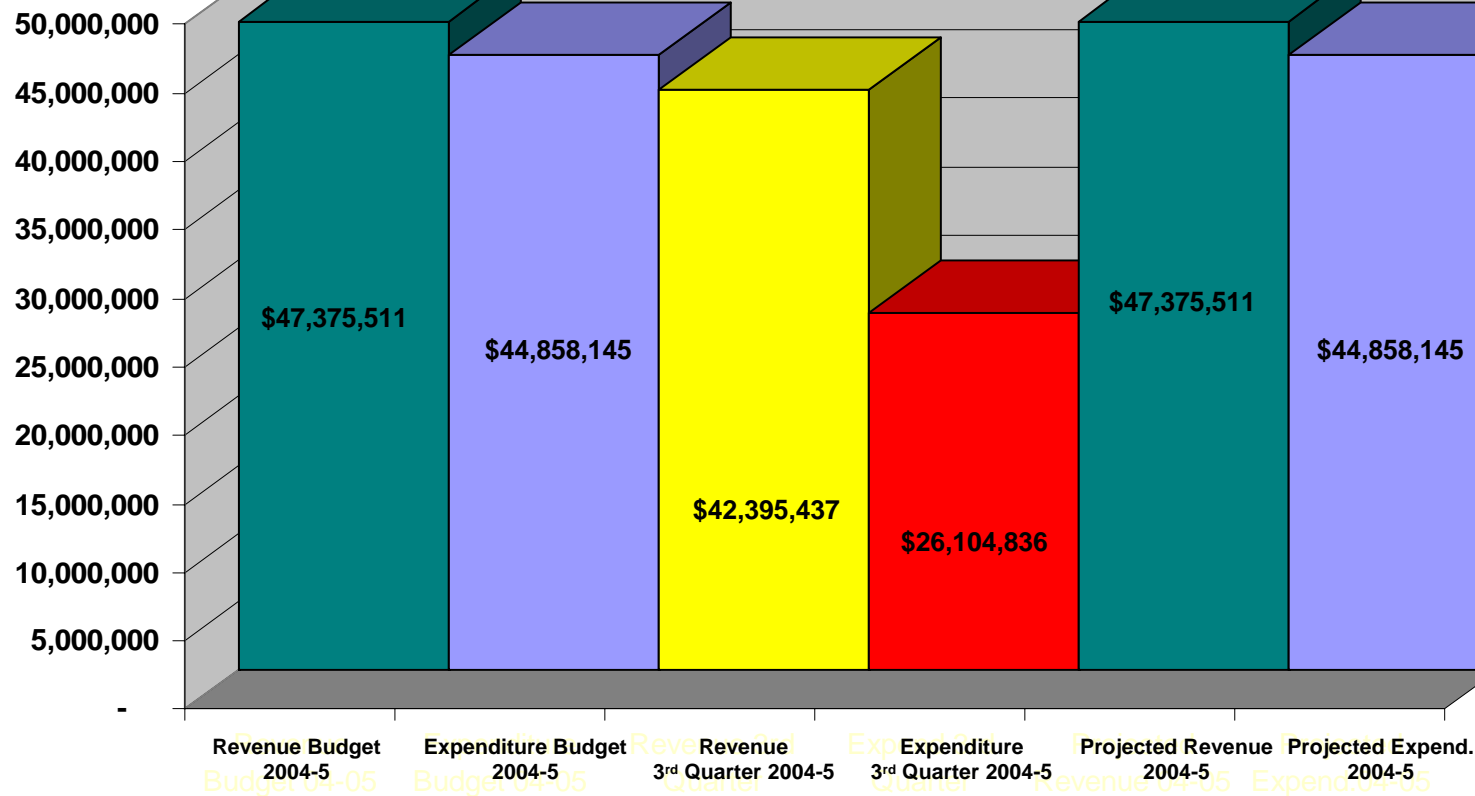
Traffic and Parking

University Center

College Continuing Education

Lifelong Learning Society

Florida Atlantic University Auxiliary Enterprises Operating Budget July 1, 2004 – March 31, 2005 Third Quarter Report



Auxiliary Enterprises Operating Budget

July 1, 2004 to March 31, 2005

Budgeted Revenues 2004-05 \$47,375,511 Actual Revenues to Mar. 31 \$42,395,437

Budgeted Expenses 2004-05 \$44,858,145 Actual Expenses to Mar. 31 \$26,104,836

The total budgeted revenue for 2004-2005 is \$47,375,511. As of March 31, 2005, \$42,395,437 in revenue has been generated, or approximately 89 percent of the total budget. Total projected expenditures for the year are \$44,858,145. To date, \$26,104,836 has been expended, or approximately 58 percent of total projected expenditures for the year.

Analysis:

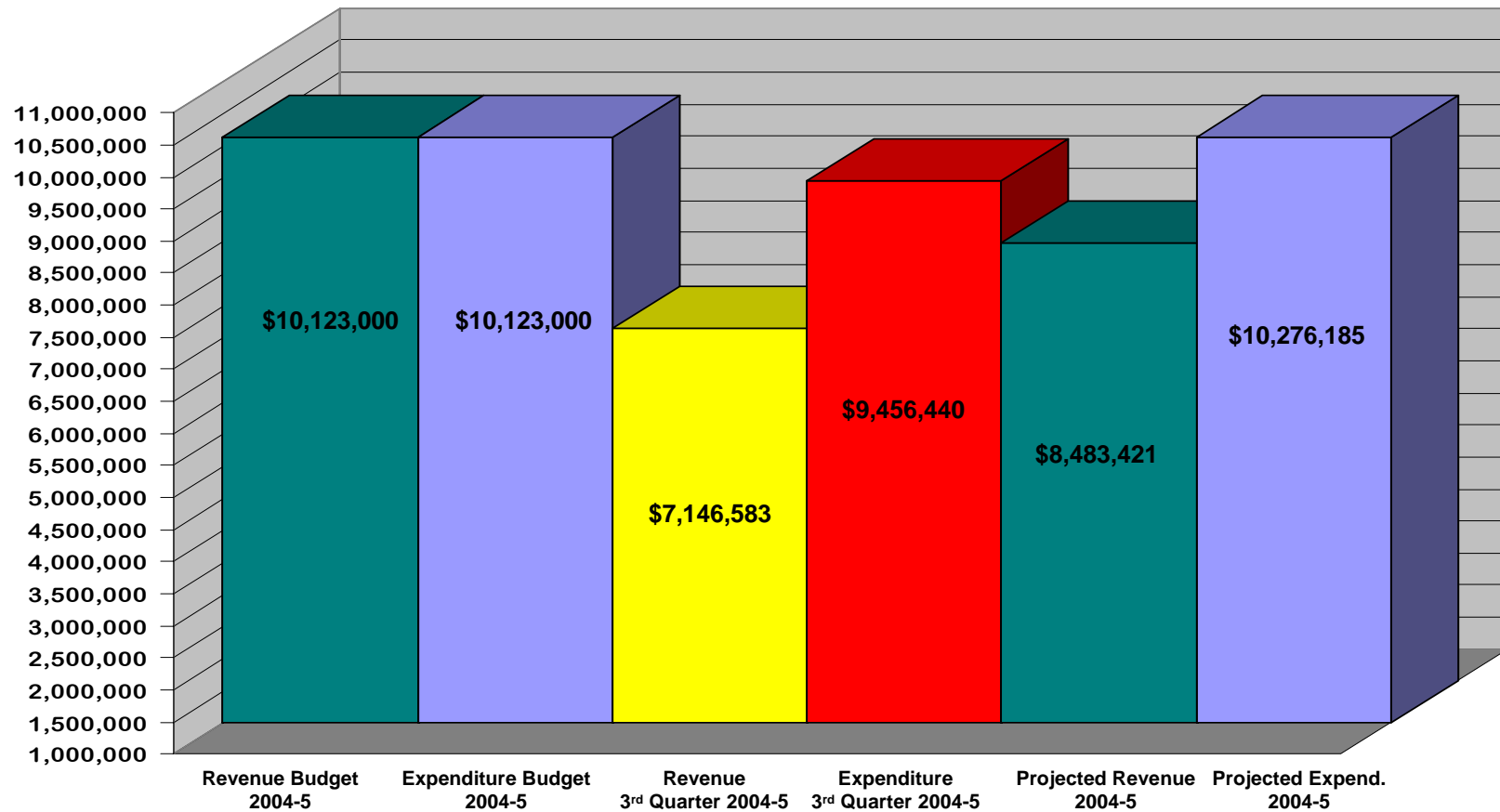
The expenditures to date for 2004-05 are slightly less than the percentage spent in the prior year (58.19 percent for 2004-05 compared to 58.37 percent for 2003-04). Revenue for the year is believed to be on target with projections, although expenditures will likely be slightly less than budgeted.

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 – March 31, 2005 Third Quarter Report



Athletics Local Operating Budget

July 1, 2004 to March 31, 2005

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

Actual Revenues to Mar. 31 \$7,146,583

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

Actual Expenses to Mar. 31 \$9,456,440

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 \$5,542,072, ticket sales of \$321,586, and corporate sales/private support of \$406,651.

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 March 2005 were \$9,456,440, or approximately 93 percent of the total budgeted amount. Of total expenditures to date, 32 percent (\$2,990,889) were financial aid and 33 percent (\$3,092,342) were payroll.

Analysis:

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

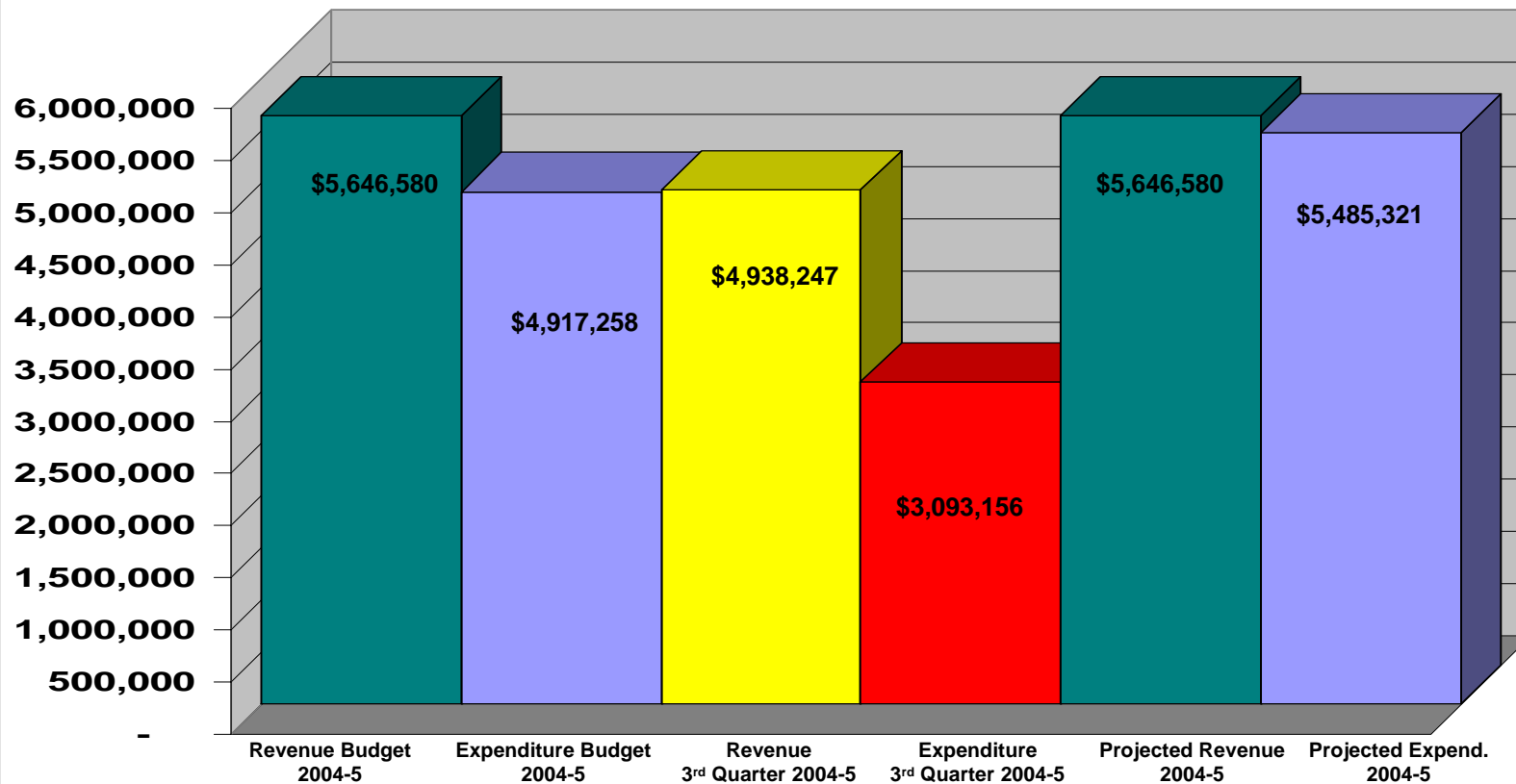
Ticket revenues are lower than anticipated at this point. This reduction will be offset by a projected increase in revenue from NCAA distributions, ASUN distributions, and game guarantees. Game guarantees currently total \$364,500.

Corporate sales and private support have reached only 18.5 percent of their projected amounts as of March 31. It is expected that an additional \$100,000 can be generated through June 30, 2005, but this will leave a shortfall of \$1.7 million. A workshop to address the budget issues in Athletics was held on March 29, 2005. Total expenses for the year are projected at \$10,276,185 with revenues of \$8,483,421, producing a deficit of \$1,800,000.

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 – March 31, 2005 Third Quarter Report



Student Government- Student Activities Operating Budget

July 1, 2004 to March 31, 2005

Budgeted Revenues 2004-05	\$5,646,580	Actual Revenues to Mar. 31	\$4,938,247
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Budgeted Expenses 2004-05	\$5,485,321	Actual Expenses to Mar. 31	\$3,093,156
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The total budgeted revenue for 2004-2005 is \$5,646,580. As of March 31, 2005, \$4,938,247 in revenue has been generated, or approximately 87 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 \$5,485,321. To date, \$3,093,156 has been expended, or approximately 56 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.

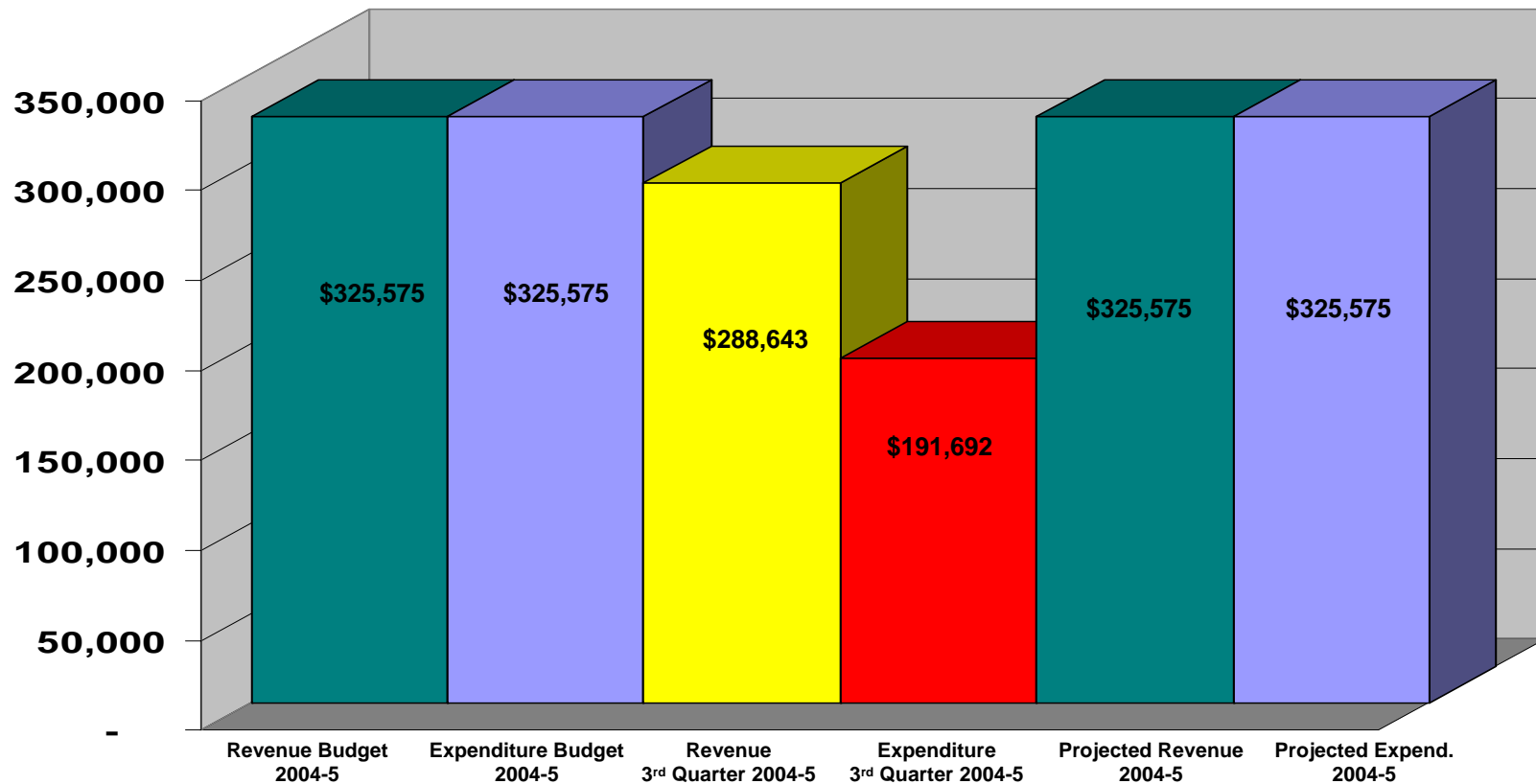
Analysis:

The expenditures to date for 2004-05 are lower than the percentage spent in the prior year (56 percent for 2004-05 compared to 61 percent for 2003-04). Revenue and expenditures for the current year, including budget amendments, are believed to be on target with projections, with expenditures being lower than budgeted.

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 – March 31, 2005 Third Quarter Report



Concessions Operating Budget

July 1, 2004 to March 31, 2005

Budgeted Revenues 2004-05 \$325,575 Actual Revenues to Mar. 31 \$288,643

Budgeted Expenses 2004-05 \$325,575 Actual Expenses to Mar. 31 \$191,692

The total budgeted revenue for 2004-2005 is \$325,575. As of March 31, 2005, \$288,643 has been generated, or approximately 88 percent of the revenue budget, and \$191,692 has been expended, or approximately 59 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 (59 percent V. 44 percent), but within the range of appropriate (75 percent) expenditures for the third quarter. Revenue and expenditures are believed to be on target with projections.

FLORIDA ATLANTIC UNIVERSITY OPERATING BUDGET STATUS AS OF MARCH 31, 2005 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 MARCH 31, 2005**

	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	Operating Expenditures	Budget	Remainder	% of Budget Spent
Educational & General	\$ 142,758,434	\$ 205,193,517	\$ 62,435,083	69.57%	\$ 32,342,716	\$ 137,198,995	\$ 183,150,784	\$ 45,951,789	74.91%
Student Financial Aid	88,765,500	101,691,528	12,926,028	87.29%	446,751	68,753,326	87,995,115	19,241,789	78.13%
Sponsored Research / other Grants	32,293,017	45,382,448	13,089,431	71.16%	11,225,958	34,084,337	55,065,596	20,981,259	61.90%
Auxiliary Enterprises	26,104,836	44,858,145	18,753,309	58.19%	38,925,283	22,695,593	38,884,867	16,189,274	58.37%
Athletics	9,456,440	10,123,000	666,560	93.42%	(2,230,767)	7,759,934	8,982,192	1,222,258	86.39%
Student Activities	3,093,156	5,485,321	2,392,165	56.39%	3,016,028	2,886,310	4,699,312	1,813,002	61.42%
Concessions	191,692	325,575	133,883	58.88%	272,801	144,368	325,575	181,207	44.34%
Total	\$ 302,663,075	\$ 413,059,534	\$ 110,396,459	73.27%	\$ 83,998,770	\$ 273,522,863	\$ 379,103,441	\$ 105,580,578	72.15%

STUDENT CREDIT HOURS

FISCAL YEAR 2004-05 AS OF 3/31/2005					FISCAL YEAR 2003-04			
Semester	Actual	Budget	Difference	% Variance	Actual	Budget	Difference	% Variance
Summer	94,014	94,867	(853)	-0.90%	92,268	87,937	4,331	4.93%
Fall	242,693	236,020	6,673	2.83%	233,005	216,677	16,328	7.54%
Spring (estimate)	224,814	222,352	2,462	1.11%	215,660	201,290	14,370	7.14%
Total	561,521	553,239	8,282	1.50%	540,933	505,904	35,029	6.92%

**FLORIDA ATLANTIC UNIVERSITY
OPERATING BUDGET STATUS
EXPENDITURES BY CATEGORY AS OF MARCH 31, 2005**

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	\$ 96,833,316	\$ 12,391,054	\$ 33,534,064	\$ 142,758,434	\$ 84,543,799	\$ 12,171,468	\$ 40,483,728	\$ 137,198,995
Student Financial Aid	223,447	475,428	88,066,625	88,765,500	209,031	552,116	67,992,179	68,753,326
Sponsored Research / other Grants	14,617,014	5,973,121	11,702,882	32,293,017	13,810,938	6,032,227	14,241,172	34,084,337
Auxiliary Enterprises	8,067,373	2,454,362	15,583,101	26,104,836	7,533,664	3,149,347	12,012,582	22,695,593
Athletics	2,746,470	345,872	6,364,098	9,456,440	2,437,485	392,324	4,930,125	7,759,934
Student Activities	104,985	696,635	2,291,536	3,093,156	104,458	811,237	1,970,615	2,886,310
Concessions	-	-	191,692	191,692	-	-	144,368	144,368
Total	\$ 122,592,605	\$ 22,336,472	\$ 157,733,998	\$ 302,663,075	\$ 108,639,375	\$ 23,108,719	\$ 141,774,769	\$ 273,522,863

EXPENDITURES BY ACTIVITY - PERCENT OF TOTAL

	FISCAL YEAR 2004-05 AS OF 3/31/2005				FISCAL YEAR 2003-04 AS OF 12/31/2003			
	Salaries & Benefits	OPS	Expense	Total	Salaries & Benefits	OPS	Expense	Total
Educational & General	67.83%	8.68%	23.49%	100.00%	61.62%	8.87%	29.51%	100.00%
Student Financial Aid	0.25%	0.54%	99.21%	100.00%	0.30%	0.80%	98.89%	100.00%
Sponsored Research / other Grants	45.26%	18.50%	36.24%	100.00%	40.52%	17.70%	41.78%	100.00%
Auxiliary Enterprises	30.90%	9.40%	59.69%	100.00%	33.19%	13.88%	52.93%	100.00%
Athletics	29.04%	3.66%	67.30%	100.00%	31.41%	5.06%	63.53%	100.00%
Student Activities	3.39%	22.52%	74.08%	100.00%	3.62%	28.11%	68.27%	100.00%
Concessions	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Total	40.50%	7.38%	52.12%	100.00%	39.72%	8.45%	51.83%	100.00%