



Item: BF: A-3a

Tuesday, June 2, 2020

SUBJECT: APPROVAL OF THE 2020-21 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.

PROPOSED BOARD ACTION

Approval of the 2020-21 FAU Finance Corporation's (FAUFC) Operating Budget; and, authorize the FAUFC Executive Director to amend this budget as appropriate during the fiscal year consistent with Board of Trustees' directives and guidelines.

BACKGROUND INFORMATION

The FAU Finance Corporation By-laws, adopted November 13, 2009 and amended November 17, 2011, require the preparation of an annual budget. The budget must be prepared before the beginning of the University's fiscal year, approved by the FAUFC Board of Directors and recommended by the University President to the Board of Trustees each year. The Board of Trustees must approve the Corporation's budget before it can be enacted.

During the May 21, 2020 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2020.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2020-21 FAUFC Operating Budget

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Florida Atlantic University Finance Corporation Operating Budget FY2021

	Housing	Administrative	Stadium	Total
Operating Revenue				
Pledged Revenue (100% Occupancy)	36,943,178	0	2,359,530	39,302,708
Operating Expenses				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	14,422,625	-	-	14,422,625
Other Operating Expenses	1,889,349	1,484,931	-	3,374,280
Total Operating Expenses	16,311,974	1,884,931		18,196,905
Net Operating Income	20,631,204	-1,884,931	2,359,530	21,105,803
Non-Operating Revenues (Expenses)				
Investment Income		794,365	-	794,365
Depreciation	-6,000,000	-	-	-6,000,000
Bond Expenses *	-7,966,679	-	-2,359,530	-10,326,209
Total Non-Operating Income (Expense)	-13,966,679	794,365	-2,359,530	-15,531,844
Transfer to Fund Scholarships (UMI)	0	-350,000	-	-350,000
Net Income (Financial Statement- Accrual)	6,664,525	-1,440,566	0	5,223,959



Florida Atlantic University Finance Corporation

	Budget FY 2017				Budget FY 2018				Budget FY 2019				Budget FY 2020				Budget FY 2021			
	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total
Operating Revenues:																				
Pledged Revenue	-	35,247,894	2,672,562	37,920,456	-	35,847,575	2,671,122	38,518,697	-	36,343,292	2,360,714	38,704,006	-	37,422,829	2,358,247	39,781,076	-	36,943,178	2,359,530	39,302,708
Operating Expenses:																				
Lease Expense	400,000	-	-	400,000	400,000	-	-	400,000	400,000	-	-	400,000	400,000	-	-	400,000	400,000	-	-	400,000
Housing operating expenses	-	12,589,342	-	12,589,342	-	13,113,954	-	13,113,954	-	12,643,749	-	12,643,749	-	15,781,413	-	15,781,413	-	14,422,625	-	14,422,625
Other operating expenses	790,685	1,597,024	-	2,387,709	966,537	1,924,923	-	2,891,460	962,100	3,962,875	-	4,924,975	900,265	3,753,517	-	4,653,782	1,484,931	1,889,349	-	3,374,280
Total Operating Expenses	1,190,685	14,186,365	-	15,377,051	1,366,537	15,038,877	-	16,405,414	1,362,100	16,606,624	-	17,968,724	1,300,265	19,534,930	-	20,835,195	1,884,931	16,311,974	-	18,196,905
Net Operating Income	(1,190,685)	21,061,530	2,672,562	22,543,406	(1,366,537)	20,808,698	2,671,122	22,113,282	(1,362,100)	19,736,668	2,360,714	20,735,282	(1,300,265)	17,887,899	2,358,247	18,945,881	(1,884,931)	20,631,204	2,359,530	21,105,803
Nonoperating Revenues (Expenses):																				
Investment Income	469,205	78,000	-	547,205	747,026	50,000	-	797,026	742,936	200,000	-	942,936	784,465	54,231	-	838,696	794,365	-	-	794,365
Depreciation	-	(5,655,016)	-	(5,655,016)	-	(5,539,738)	-	(5,539,738)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)
Bond Expenses:																				
Bond Interest Expense	-	(10,090,637)	(3,448,394)	(13,539,031)	-	(12,400,532)	(3,425,689)	(15,826,221)	-	(12,031,444)	(2,360,714)	(14,392,158)	-	(8,457,175)	(2,358,247)	(10,815,422)	-	(7,966,679)	(2,359,530)	(10,326,209)
Build America Bonds Subsidy	-	2,680,927	775,832	3,456,759	-	2,632,689	754,567	3,387,256	-	2,576,044	-	2,576,044	-	-	-	-	-	-	-	-
Net Bond Interest Expense	-	(7,409,710)	(2,672,562)	(10,082,272)	-	(9,767,843)	(2,671,122)	(12,438,965)	-	(9,455,400)	(2,360,714)	(11,816,114)	-	(8,457,175)	(2,358,247)	(10,815,422)	-	(7,966,679)	(2,359,530)	(10,326,209)
Total Non-Operating Income (Expense)	469,205	(12,986,725)	(2,672,562)	(15,190,082)	747,026	(15,257,580)	(2,671,122)	(17,181,675)	742,936	(15,255,400)	(2,360,714)	(16,873,178)	784,465	(14,402,943)	(2,358,247)	(15,976,725)	794,365	(13,966,679)	(2,359,530)	(15,531,844)
Transfer:																				
Transfer to Fund Scholarships	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)	(4,275,000)	-	-	(4,275,000)	(350,000)	-	-	(350,000)	(350,000)	-	-	(350,000)
	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)	(4,275,000)	-	-	(4,275,000)	(350,000)	-	-	(350,000)	(350,000)	-	-	(350,000)
Net Income (Financial Statement-accrual)	(2,721,480)	8,074,805	-	5,353,325	(2,719,511)	5,551,118	-	2,831,607	(4,894,164)	4,481,268	-	(412,896)	(865,800)	3,484,957	-	2,619,156	(1,440,566)	6,664,525	-	5,223,959