



Item: BF: A-4a

BUDGET AND FINANCE COMMITTEE

Tuesday, June 4, 2019

SUBJECT: REQUEST FOR APPROVAL OF THE 2019-20 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2019-20 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 April 18, 2019 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2019.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2019-20 FAUFC Operating Budget

Presented by: Art Kite, Deputy CFO

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Florida Atlantic University Finance Corporation

Operating Budget FY 2020

	Housing	Administrative	Stadium	Total
	Approved by the FAUFC BOD October 30, 2018			
Operating Revenues:				
Pledged Revenue (95% Occupancy)	37,422,829	-	2,358,247	39,781,076
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	15,781,413	-	-	15,781,413
Other Operating Expenses	3,753,517	900,265	-	4,653,783
Total Operating Expenses	19,534,930	1,300,265	-	20,835,195
Net Operating Income	17,887,899	(1,300,265)	2,358,247	18,945,880
Nonoperating Revenues (Expenses):				
Investment Income	54,231	784,465	-	838,696
Depreciation	(6,000,000)	-	-	(6,000,000)
Bond Expenses:				
Bond Interest Expense	(8,457,175)	-	(2,358,247)	(10,815,421)
Babs Subsidy	-	-	-	-
Net Bond Interest Expense	(8,457,175)	-	(2,358,247)	(10,815,421)
Total Nonoperating Income (Expense)	(14,402,943)	784,465	(2,358,247)	(15,976,724)
Transfers:				
Transfer to Fund Scholarships (UMI)	-	350,000	-	350,000
Net Income (Financial Statement-accrual)	3,484,957	(865,800)	-	2,619,156

Florida Atlantic University Finance Corporation

	Budget FY 2016				Budget FY 2017				Budget FY 2018				Budget FY 2019				Budget FY 2020			
	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total	Administrative	Housing	Stadium	Total
Operating Revenues:																				
Pledged Revenue	-	33,244,722	2,687,213	35,931,935	-	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
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	-	11,441,876	-	11,441,876	-	12,589,342	-	12,589,342	-	13,113,954	-	13,113,954	-	12,643,749	-	12,643,749	-	15,781,413	-	15,781,413
Other operating expenses	624,624	1,411,979	-	2,036,603	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
Total Operating Expenses	1,024,624	12,853,856	-	13,878,480	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
Net Operating Income	(1,024,624)	20,390,867	2,687,213	22,053,456	(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
Nonoperating Revenues (Expenses):																				
Investment Income	548,787	78,000	-	626,787	469,205	78,000	-	547,205	747,026	50,000	-	797,026	742,936	200,000	-	942,936	784,465	54,231	-	838,696
Depreciation	-	(5,294,897)	-	(5,294,897)	-	(5,655,016)	-	(5,655,016)	-	(5,539,738)	-	(5,539,738)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)	-	(6,000,000)
Bond Expenses:																				
Bond Interest Expense	-	(10,271,421)	(3,480,730)	(13,752,151)	-	(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)
Build America Bonds Subsidy	-	2,711,239	793,517	3,504,756	-	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	-	(7,560,182)	(2,687,213)	(10,247,395)	-	(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)
Total Non-Operating Income (Expense)	548,787	(12,777,078)	(2,687,213)	(14,915,504)	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)
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)
	-	-	-	-	(2,000,000)	-	-	(2,000,000)	(2,100,000)	-	-	(2,100,000)	(4,275,000)	-	-	(4,275,000)	(350,000)	-	-	(350,000)
Net Income (Financial Statement-accrual)	(475,837)	7,613,789	-	7,137,952	(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