



Item: AF: A-3

AUDIT AND FINANCE COMMITTEE

Tuesday, June 19, 2011

SUBJECT: REQUEST FOR APPROVAL OF THE FAU FINANCE CORPORATION'S 2012-13 OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2012-13 FAU Finance Corporation's (FAUFC) Operating Budget; and, authorize the FAUFC Chairman 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 June 12, 2012 FAUFC Board meeting this budget was approved for the fiscal year. On June 18, 2012 FAU President Saunders approved this budget.

IMPLEMENTATION PLAN/DATE

July 1, 2012.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2012-13 FAUFC Operating Budget.

Presented by: Dennis Crudele, Senior Vice President for Financial Affairs

Phone: 561-297-3267

Florida Atlantic University Finance Corporation

Operating Budget FY 2013

	Housing	Administrative	Stadium	Total
Pledged Revenue	28,540,838	-	-	28,540,838
Operating Expenses				
Lease Expense	-	400,000	-	400,000
Housing operating expenses	10,736,814	-	-	10,736,814
Other operating expenses	-	40,000	-	40,000
Total Operating Expenses	10,736,814	440,000	-	11,176,814
Net Operating Income (Deficit) Avail. For Debt Service	17,804,024	(440,000.00)	-	17,364,024
Non-Operating Income (Expense)				
Investment Income	-	30,000	-	30,000
Repair and Replacement Fund	(718,135)	-	-	(718,135)
Overhead	(268,693)	-	-	(268,693)
Depreciation	(5,005,082)	-	-	(5,005,082)
Bond Interest Expense	(9,075,689)	-	-	(9,075,689)
Total Non-Operating Income (Expense)	(15,067,599)	30,000	-	(15,037,599)
Financial Statement Net Income	2,736,425	(410,000)	-	2,326,425
Cash Basis Reconciliation:				
Net Operating Income (Deficit) Avail. For Debt Service	17,804,024	(440,000)	-	17,364,024
Debt Service				
Debt Service - Existing Housing	5,766,685	-	-	5,766,685
Debt Service - Innovation Village	7,305,330	-	-	7,305,330
Debt Service - Refunding 2010B	303,674	-	-	303,674
Debt Service - Stadium	-	-	1,653,485	1,653,485
Total Debt Service	13,375,689	-	1,653,485	15,029,173
Add back non-operating income and non cash expenses:				
Investment Income	-	30,000	-	30,000
Lease Expense	-	400,000	-	400,000
Less cash non-operating expenses				
Repair and Replacement Fund	(718,135)	-	-	(718,135)
Overhead	(268,693)	-	-	(268,693)
Cash Requirements	3,441,508	(10,000)	(1,653,485)	1,778,023

Florida Atlantic University Finance Corporation

Housing FY 12-13 Budget

	Algonquin	UVA	IRT	HPT	GPT	Admin.	IVAN	IVAS	Total FY13	FY 12 Budget	Proforma FY13
OPERATING REVENUES:											
Resident Housing Fees	616,400	3,795,832	4,191,192	3,785,324	3,974,925	332,000	6,140,222	5,110,495	27,946,390	27,273,023	27,335,166
Student Repair Fees	5,000	20,000	20,000	25,000	25,000	-	35,000	35,000	165,000	162,000	-
Conference/Guest Housing Fees	1,000	10,000	50,000	50,000	50,000	-	25,000	25,000	211,000	86,000	-
Interest Income	-	-	-	-	-	218,448	-	-	218,448	-	218,448
TOTAL OPERATING REVENUES	622,400	3,825,832	4,261,192	3,860,324	4,049,925	550,448	6,200,222	5,170,495	28,540,838	27,521,023	27,553,614
OPERATING EXPENSES:											
Salaries and Benefits	143,825	429,666	401,498	403,341	429,889	1,092,377	240,152	273,735	3,414,483	3,408,944	-
OPS	26,230	87,970	133,532	107,013	112,555	64,764	121,773	92,128	745,965	669,075	-
Management Fee	13,908	78,963	90,329	90,030	90,030	-	91,376	90,479	545,115	-	-
Utilities	77,747	460,748	526,650	402,672	368,672	90,500	566,960	567,850	3,061,799	2,980,008	-
Maintenance	45,480	136,800	106,000	113,100	94,250	49,400	69,800	69,800	684,630	778,730	-
Service Contracts	15,430	145,300	103,900	93,700	94,200	10,900	102,300	102,300	668,030	639,530	-
Admin and Supplies	18,105	36,605	67,260	68,717	59,920	154,225	238,785	227,325	870,942	1,308,380	-
Marketing and Printing	-	-	-	-	-	126,000	-	-	126,000	121,500	-
Training and Development	8,500	11,200	12,200	22,200	12,200	72,300	12,200	12,000	162,800	143,300	-
Special Projects (Technology)	7,450	250	750	14,900	500	4,200	1,250	1,250	30,550	25,800	-
Special Projects (Residential Life)	5,000	10,000	12,000	10,000	10,000	84,500	10,000	10,000	151,500	115,000	-
Special Projects (Maintenance)	5,000	60,000	35,000	35,000	40,000	-	-	-	175,000	-	-
Contingency	10,000	15,000	15,000	5,000	15,000	20,000	10,000	10,000	100,000	200,000	-
TOTAL OPERATING EXPENSES	376,675	1,472,502	1,504,119	1,365,673	1,327,216	1,769,166	1,464,596	1,456,867	10,736,814	10,390,267	10,751,568
Net Operating Revenue Over Expense	245,725	2,353,330	2,757,073	2,494,651	2,722,709	(1,218,718)	4,735,626	3,713,628	17,804,024	17,130,756	16,802,046
Non-Operating Expenses											
Repair and Replacement Fund	18,672	114,775	127,836	115,810	121,498	-	109,772	109,772	718,135	641,200	-
Overhead	8,199	24,310	31,101	27,841	27,071	104,716	22,951	22,504	268,693	256,150	-
TOTAL NON-OPERATING EXPENSES	26,871	139,085	158,937	143,651	148,569	104,716	132,723	132,276	986,828	897,350	-
Net Revenue Over Expense	218,854	2,214,245	2,598,136	2,351,000	2,574,140	(1,323,434)	4,602,903	3,581,352	16,817,196	16,233,406	16,802,046
DEBT SERVICE:											
Principal	-	531,205	765,000	778,795	615,000	-	-	-	2,690,000	2,585,000	2,690,000
Interest	-	470,889	813,956	690,367	1,101,473	-	-	-	3,076,685	3,176,936	3,076,685
Existing housing debt	-	1,002,094	1,578,956	1,469,162	1,716,473	-	-	-	5,766,685	5,761,936	5,766,685
Principal	-	-	-	-	-	-	777,500	777,500	1,555,000	-	1,555,000
Interest	-	-	-	-	-	-	2,875,165	2,875,165	5,750,330	-	5,750,330
IV - Senior Debt Interest (2010A/Tax)	-	-	-	-	-	-	3,652,665	3,652,665	7,305,330	2,065,240	7,305,330
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
New Dorm 2012	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	27,500	27,500	55,000	-	55,000
Interest	-	-	-	-	-	-	124,337	124,337	248,674	-	248,674
IV -2010B	-	-	-	-	-	-	151,837	151,837	303,674	578,166	303,674
IV- Sinking Fund	-	-	-	-	-	-	-	-	-	91,020	-
TOTAL DEBT SERVICE	-	1,002,094	1,578,956	1,469,162	1,716,473	-	3,804,502	3,804,502	13,375,689	8,496,362	13,375,689
Net Revenue Over Expense before Depreciation	218,854	1,212,151	1,019,180	881,838	857,667	(1,323,434)	798,401	(223,150)	3,441,508	7,737,044	3,426,357
Depreciation Expense						5,005,082			5,005,082	4,356,983	-
TOTAL REVENUES OVER EXPENSES	218,854	1,212,151	1,019,180	881,838	857,667	(6,328,516)	798,401	(223,150)	(1,563,575)	3,380,061	3,426,357
Debt Service Coverage Ratio (DSCR)	N/A	2.35	1.75	1.70	1.59	N/A	1.24	0.98	1.33	2.02	1.26
No. of Beds	93	545	604	602	602	N/A	605	599	3,650	3,650	-
Budgeted % occupancy	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	-
FAU	152,237	510,790	634,487	569,359	562,505	1,705,882	483,651	476,372	5,095,283	4,814,028	
Capstone	251,309	1,100,797	1,028,569	939,965	913,280	168,000	1,113,668	1,112,771	6,628,359	6,473,589	
Total	403,546	1,611,587	1,663,056	1,509,324	1,475,785	1,873,882	1,597,319	1,589,143	11,723,642	11,287,617	10,751,568
Debt Service	-	1,002,094	1,578,956	1,469,162	1,716,473	-	3,804,502	3,804,502	13,375,689	8,496,362	13,375,689
Grand Total	403,546	2,613,681	3,242,012	2,978,486	3,192,258	1,873,882	5,401,821	5,393,645	25,099,330	19,783,979	24,127,257

Florida Atlantic University Finance Corporation Housing FY 12-13 Budget

	Algonquin			UVA			IRT			HPT			GPT			Admin.			IVAN			IVAS			
	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	FY13 Budget	FY12 Budget	Apr 2012 YTD	
OPERATING REVENUES:																									
Resident Housing Fees	616,400	581,665	477,411	3,795,832	3,672,127	3,372,211	4,191,192	4,384,103	4,125,716	3,785,324	3,746,348	3,811,388	3,974,925	3,384,531	3,681,486	332,000	350,000	392,322	6,140,222	5,699,234	6,071,199	5,110,495	5,455,015	4,630,764	
Student Repair Fees	5,000	5,000	-	20,000	20,000	-	20,000	20,000	-	25,000	30,000	-	25,000	17,000	-	-	-	-	35,000	35,000	-	35,000	35,000	-	
Conference/Guest Housing Fees	1,000	1,000	200	10,000	15,000	4,260	50,000	10,000	4,720	50,000	20,000	24,440	50,000	-	79,981	-	-	-	25,000	20,000	7,765	25,000	20,000	3,040	
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218,448	-	-	-	-	-	-	-	-	
TOTAL OPERATING REVENUES	622,400	587,665	477,611	3,825,832	3,707,127	3,376,471	4,261,192	4,414,103	4,130,436	3,860,324	3,796,348	3,835,828	4,049,925	3,401,531	3,761,467	550,448	350,000	392,322	6,200,222	5,754,234	6,078,964	5,170,495	5,510,015	4,633,804	
OPERATING EXPENSES:																									
Salaries and Benefits	143,825	114,489	93,012	429,666	376,500	256,246	401,498	453,499	422,827	403,341	443,033	416,041	429,889	401,613	435,169	1,092,377	1,087,712	784,841	240,152	248,974	225,336	273,735	283,124	284,925	
OPS	26,230	30,286	-	87,970	86,119	-	133,532	127,094	-	107,013	105,939	-	112,555	102,386	-	64,764	29,803	-	121,773	83,200	-	92,128	104,248	-	
Management Fee	13,908	-	10,429	78,963	-	59,207	90,329	-	67,729	90,030	-	67,505	90,030	-	67,505	-	-	-	91,376	-	82,236	90,479	-	82,236	
Utilities	77,747	75,000	54,361	460,748	463,210	308,377	526,650	516,654	346,864	402,672	402,552	262,586	368,672	365,052	241,102	90,500	85,500	58,818	566,960	542,280	311,243	567,850	529,760	184,059	
Maintenance	45,480	45,880	48,843	136,800	132,000	205,874	106,000	103,000	201,118	113,100	116,100	151,842	94,250	83,100	162,682	49,400	50,400	90,235	69,800	124,125	100,909	69,800	124,125	97,094	
Service Contracts	15,430	15,430	1,881	145,300	147,800	-	103,900	98,400	-	93,700	80,950	-	94,200	84,400	-	10,900	10,900	13,800	102,300	100,825	-	102,300	100,825	-	
Admin and Supplies	18,105	32,215	4,088	36,605	94,847	20,093	67,260	164,470	16,503	68,717	142,694	15,043	59,920	145,394	13,492	154,225	114,448	201,797	238,785	299,992	14,077	227,325	314,320	14,947	
Marketing and Printing	-	-	41	-	-	1,626	-	-	867	-	-	824	-	-	221	126,000	121,500	33,211	-	-	458	-	-	428	
Training and Development	8,500	9,100	4,623	11,200	12,200	3,451	12,200	13,200	2,486	22,200	12,200	6,334	12,200	12,200	3,892	72,300	55,400	57,384	12,200	14,500	3,362	12,000	14,500	4,937	
Special Projects (Technology)	7,450	16,000	-	250	-	-	750	-	-	14,900	-	260	500	7,000	-	4,200	2,800	3,480	1,250	-	-	1,250	-	-	
Special Projects (Residential Life)	5,000	5,000	-	10,000	10,000	-	12,000	10,000	-	10,000	10,000	-	10,000	10,000	-	84,500	50,000	-	10,000	10,000	-	10,000	10,000	-	
Special Projects (Maintenance)	5,000	-	-	60,000	-	-	35,000	-	-	35,000	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-	
Contingency	10,000	25,000	-	15,000	25,000	-	15,000	20,000	-	5,000	20,000	-	15,000	20,000	-	20,000	50,000	-	10,000	20,000	-	10,000	20,000	-	
TOTAL OPERATING EXPENSES	376,675	368,400	217,278	1,472,502	1,347,676	854,874	1,504,119	1,506,317	1,058,394	1,365,673	1,333,468	920,435	1,327,216	1,231,145	924,063	1,769,166	1,658,463	1,243,566	1,464,596	1,443,896	737,621	1,456,867	1,500,902	668,626	
Net Operating Revenue Over Expense	245,725	219,265	260,333	2,353,330	2,359,451	2,521,597	2,757,073	2,907,786	3,072,042	2,494,651	2,462,880	2,915,393	2,722,709	2,170,386	2,837,404	(1,218,718)	(1,308,463)	(851,244)	4,735,626	4,310,338	5,341,343	3,713,628	4,009,113	3,965,178	
Non-Operating Expenses																									
Repair and Replacement Fund	18,672	16,275	13,563	114,775	95,375	79,479	127,836	105,700	88,083	115,810	105,350	87,792	121,498	105,350	87,792	-	-	-	109,772	106,575	88,813	109,772	106,575	88,813	
Overhead	8,199	8,496	15	24,310	21,458	571	31,101	31,728	697	27,841	28,702	285	27,071	26,872	468	104,716	97,744	7,059	22,951	18,711	(94)	22,504	22,439	325	
TOTAL NON-OPERATING EXPENSES	26,871	24,771	13,578	139,085	116,833	80,050	158,937	137,428	88,780	143,651	134,052	88,077	148,569	132,222	88,260	104,716	97,744	7,059	132,723	125,286	88,719	132,276	129,014	89,138	
Net Revenue Over Expense	218,854	194,494	246,755	2,214,245	2,242,618	2,441,547	2,598,136	2,770,358	2,983,262	2,351,000	2,328,828	2,827,316	2,574,140	2,038,164	2,749,144	(1,323,434)	(1,406,207)	(858,303)	4,602,903	4,185,052	5,252,624	3,581,352	3,880,099	3,876,040	
DEBT SERVICE:																									
Principal	-	-	-	531,205	510,930	-	765,000	735,000	-	778,795	749,070	-	615,000	590,000	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	470,889	490,049	245,568	813,956	843,356	422,701	690,367	718,457	360,025	1,101,473	1,125,073	563,803	-	-	-	2,875,165	1,032,620	-	2,875,165	1,032,620	-	
Existing housing debt	-	-	-	1,002,094	1,000,979	245,568	1,578,956	1,578,356	422,701	1,469,162	1,467,527	360,025	1,716,473	1,715,073	563,803	-	-	-	3,652,665	1,032,620	-	3,652,665	1,032,620	-	
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	777,500	-	777,500	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,875,165	1,032,620	-	
IV - Senior Debt Interest (2010A/Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,652,665	1,032,620	-	3,652,665	1,032,620	-	
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,500	-	27,500	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124,337	289,083	124,337	
IV - Series B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,837	289,083	-	151,837	289,083	-	
IV - Sinking Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,510	45,510	
TOTAL DEBT SERVICE	-	-	-	1,002,094	1,000,979	245,568	1,578,956	1,578,356	422,701	1,469,162	1,467,527	360,025	1,716,473	1,715,073	563,803	-	-	-	3,804,502	1,367,213	-	3,804,502	1,367,213	-	
Net Revenue Over Expense before Depreciation	218,854	194,494	246,755	1,212,151	1,241,639	2,195,979	1,019,180	1,192,002	2,560,561	881,838	861,301	2,467,291	857,667	323,091	2,185,341	(1,323,434)	(1,406,207)	(858,303)	798,401	2,817,839	5,252,624	(223,150)	2,512,886	3,876,040	
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,005,082	5,005,082	-	-	-	-	-	-	-	
TOTAL REVENUES OVER EXPENSES	218,854	194,494	246,755	1,212,151	1,241,639	2,195,979	1,019,180	1,192,002	2,560,561	881,838	861,301	2,467,291	857,667	323,091	2,185,341	(6,328,516)	(6,411,289)	(858,303)	798,401	2,817,839	5,252,624	(223,150)	2,512,886	3,876,040	
Debt Service Coverage Ratio (DSCR)	N/A	N/A	N/A	2.35	2.36	10.27	1.75	1.84	7.27	1.70	1.68	8.10	1.59	1.27	5.03	N/A	N/A	N/A	1.24	3.15	N/A	0.98	2.93	N/A	
No. of Beds	93	93	92	545	545	511	604	604	569	602	602	562	602	602	589	N/A	N/A	N/A	605	605	529	599	599	500	
Budgeted % occupancy	95%	95%	99%	95%	95%	94%	95%	95%	94%	95%	95%	93%	95%	95%	98%	95%	95%	N/A	95%	95%	87%	95%	95%	83%	
FAU	152,237	154,672																							

Florida Atlantic University Finance Corporation

On-Campus Rates - Per Semester

Housing FY 12-13 Budget

Housing Facilities	Historical Rates					Projected Rates				
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Algonquin Hall										
Single	2,260	2,260	2,373	2,519	2,684	2,825	2,910	2,997	3,087	3,180
Indian River Towers										
Double	2,882	2,882	2,995	3,085	3,147	3,237	3,335	3,435	3,538	3,644
Single	3,418	3,418	3,616	3,836	4,068	4,271	4,400	4,532	4,667	4,807
University Village Apartments										
4-Bedroom (Single)	3,108	3,108	3,249	3,447	3,661	3,842	3,957	4,076	4,198	4,324
Double (Studio)	2,712	2,712	2,769	2,853	2,910	2,995	3,084	3,177	3,272	3,370
Heritage Park Towers										
Double (Suite A)	2,656	2,656	2,712	2,797	2,853	2,938	3,026	3,117	3,210	3,307
Double (Suite C)	2,938	2,938	3,051	3,237	3,435	3,537	3,643	3,752	3,865	3,981
Single (Suite B)	3,164	3,164	3,305	3,503	3,712	3,899	4,015	4,136	4,260	4,388
Glades Park Towers										
Double (Suite A)	2,656	2,656	2,712	2,797	2,853	2,938	3,026	3,117	3,210	3,307
Double (Suite C)	2,938	2,938	3,051	3,237	3,435	3,537	3,643	3,752	3,865	3,981
Single (Suite B)	3,164	3,164	3,305	3,503	3,712	3,899	4,015	4,136	4,260	4,388
Innovation Village Apartments North										
4-Bedroom (Single)	-	-	-	-	4,599	4,859	5,005	5,155	5,310	5,469
2-Bedroom (Single)	-	-	-	-	4,803	5,057	5,208	5,365	5,526	5,691
Innovation Village Apartments South										
4-Bedroom (Single)	-	-	-	-	4,475	4,690	4,830	4,975	5,124	5,278
1-Bedroom (Single)	-	-	-	-	5,085	5,424	5,587	5,754	5,927	6,105

Florida Atlantic University Finance Corporation

Current Resident Halls

Housing FY 12-13 Budget

Residence Halls	Year Built	Square Footage	Current Capacity	Number of Rooms	Occupancy	
					FY2010	FY2011
Algonquin	1965	43,398	90	90	100%	99%
Indian River Towers	2001	203,481	587	449	96%	99%
Heritage Park Towers	2004	151,727	588	342	97%	100%
Glades Park Towers	2007	151,727	588	342	94%	99%
Innovation Village North	2011	233,074	598	598	N/A	99%
Innovation Village South	2011	259,200	586	586	N/A	92%
University Village Apartments	1995	151,833	510	420	96%	95%
Business Women's Professional	1996	4,000	16	8	100%	100%
Total		1,198,440	3,563	2,835		

Florida Atlantic University Admissions Data

	2007	2008	2009	2010	2011
Applied	18,566	21,274	22,886	23,013	35,491
Admitted	11,167	11,068	11,825	12,205	13,464
Selectivity	60%	52%	52%	53%	38%
Registered	5,913	6,147	6,074	6,125	6,298
Matriculation	53%	56%	51%	50%	47%