



Item: AF: A-1

**AUDIT AND FINANCE COMMITTEE**

**Wednesday, November 16, 2016**

**SUBJECT: REVIEW AND APPROVAL OF THE 2017-18 PROJECTED HOUSING BUDGET AND PROPOSED RENTAL RATES.**

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**PROPOSED COMMITTEE ACTION**

Review and recommend to the Board of Trustees approval of the proposed housing rental rates and budget for the next fiscal year.

**BACKGROUND INFORMATION**

The Department of Housing and Residential Life is not proposing rate increases for the 2017-18 fiscal year. FAU Housing operates as an auxiliary operation and must maintain a positive cash flow and meet minimum debt service coverage ratio as required under bond covenants.

**IMPLEMENTATION PLAN/DATE**

Fall 2017.

**FISCAL IMPLICATIONS**

Not Applicable.

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**Supporting Documentation:** PowerPoint Presentation on Housing FY 17-18 Budget Summary

**Presented by:** Dr. Corey King, Vice President for Student Affairs

**Phone:** 561-297-3988

**FAU Finance Corporation  
Housing FY2017-18 Budget  
SUMMARY**

	<b>Total FY18</b>
<b>OPERATING REVENUES:</b>	
Resident Housing Fees	35,047,755
Student Repair Fees	110,000
Application Fees	316,500
Conference/Guest Housing Fees	373,320
Interest Income	50,000
<b>TOTAL OPERATING REVENUES</b>	<b>35,897,575</b>
<b>TOTAL EXPENSES</b>	<b>15,038,877</b>
<b>TOTAL DEBT SERVICE</b>	<b>17,117,843</b>
<b>NET REVENUE OVER EXPENSE</b>	<b>3,740,854</b>

October 2016



**Division of Student Affairs  
Department of Housing and  
Residential Life**

**FAUFC Meeting  
Housing Updates/  
Budget Proposal**

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# Occupancy Evaluation

	Actual FY14	Actual FY15	Actual FY16	Actual FY17	Budget FY18
Total Revenue (available beds)	4,102	4,055	4,165	4,165	4,165
4 <sup>th</sup> week of classes	3,617	3,512	3,988	4,117	3,915
% Occupancy	88.2%	86.6%	95.9%	98.8%	94.0%

## FY18 Proposed Rates

### No Proposed Rate Increases for FY18

Florida Atlantic University Finance Corporation						
On-Campus Rates - Per Semester - Housing FY 17-18 Budget						
	Historical Rates			Current	Proposed	% Change
	FY14	FY15	FY16	FY17	FY18	FY17 vs. FY18
<b>Algonquin Hall</b>						
Single	2,966	3,000	3,300	3,300	3,300	0.0%
Double				3,050	3,050	0.0%
<b>Indian River Towers</b>						
Double	3,237	3,300	3,365	3,365	3,365	0.0%
Single	4,407	4,500	4,600	4,600	4,600	0.0%
<b>University Village Apartments</b>						
4-Bedroom (Single)	4,045	4,100	4,200	4,200	4,200	0.0%
4-Bedroom (Single, 12 months)			4,330	4,330	4,330	0.0%
Double (Studio)	3,085	3,100	3,100	3,050	3,050	0.0%
1-Bedroom (Single, Efficiency)	4,500	4,500	4,600	4,600	4,600	0.0%
Studio (12 months)			5,100	5,100	5,100	0.0%
<b>Heritage Park Towers</b>						
Double (Suite A)	2,938	3,000	3,050	3,050	3,050	0.0%
Double (Suite C)	3,537	3,600	3,650	3,650	3,650	0.0%
Single (Suite B)	4,012	4,100	4,160	4,160	4,160	0.0%
<b>Glades Park Towers</b>						
Double (Suite A)	2,938	3,000	3,050	3,050	3,050	0.0%
Double (Suite C)	3,537	3,600	3,650	3,650	3,650	0.0%
Single (Suite B)	4,012	4,100	4,160	4,160	4,160	0.0%
<b>Innovation Village Apartments North</b>						
4-Bedroom (Single)	5,006	5,100	5,180	5,180	5,180	0.0%
2-Bedroom (Single)	5,311	5,400	5,480	5,480	5,480	0.0%
1-Bedroom (Single)	5,537	5,600	5,680	5,680	5,680	0.0%
<b>Innovation Village Apartments South</b>						
4-Bedroom (Single)	4,690	4,800	5,180	5,180	5,180	0.0%
1-Bedroom (Single)	5,537	5,600	5,680	5,680	5,680	0.0%
<b>Parliament Hall</b>						
Double	3,237	3,300	3,365	3,365	3,365	0.0%
Single	4,407	4,500	4,600	4,600	4,600	0.0%
<b>Jupiter</b>						
4-Bedroom Suite	3,237	3,300	4,300	4,300	4,300	0.0%

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# Revenue & Expense Analysis

<b>FAU Finance Corporation</b>					
<b>Housing FY2017-18 Budget Summary</b>					
	<b>Actual FY15</b>	<b>Actual FY16</b>	<b>Budgeted FY17</b>	<b>Proposed FY18</b>	
<b>OPERATING REVENUES:</b>					
Resident Housing Fees	30,026,721	34,591,281	34,450,894	35,047,755	
Student Repair Fees	85,865	85,361	103,000	110,000	
Application Fees	-	316,500	275,000	316,500	
Conference/Guest Housing Fees/Orientation	720,315	427,413	418,450	373,320	
Interest Income	52,287	186,660	78,000	50,000	
<b>TOTAL OPERATING REVENUES</b>	<b>30,885,188</b>	<b>35,607,215</b>	<b>35,325,343</b>	<b>35,897,575</b>	
<b>TOTAL OPERATING EXPENSES</b>	10,746,562	11,516,646	12,589,342	13,113,954	
<b>TOTAL NON-OPERATING EXPENSES</b>	913,415	1,610,881	1,597,024	1,924,923	
<b>TOTAL EXPENSES</b>	<b>11,659,977</b>	<b>13,127,527</b>	<b>14,186,365</b>	<b>15,038,877</b>	
<b>TOTAL DEBT SERVICE</b>	17,068,930	17,090,381	17,112,976	17,117,843	
<b>NET REVENUES OVER EXPENSES</b>	<b>2,156,281</b>	<b>5,389,307</b>	<b>4,026,001</b>	<b>3,740,854</b>	
	<b>Budgeted Occupancy</b>	<b>87%</b>	<b>91%</b>	<b>93%</b>	<b>94%</b>
	<b>Occupancy Rate as reported 4th Week of Classes</b>	<b>87%</b>	<b>96%</b>	<b>99%</b>	<b>-</b>
	<b>Budgeted Debt Service Coverage Ratio</b>	<b>1.89</b>	<b>2.27</b>	<b>2.37</b>	<b>2.69</b>
	<b>Continuing Disclosure Debt Service Coverage Ratio</b>	<b>2.29</b>	<b>3.03</b>	<b>-</b>	<b>-</b>

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# FY18 Housing Maintenance- \$2.3 Million

	ALG	HPT	GPT	IRT	UVA	IVA-N	IVA-S	PAR	Admin
Exterior Windows	✓				✓				
Lighting Fixtures		✓	✓	✓					✓
Roofing/Restorations			✓						
Plumbing Fixtures	✓	✓		✓					
Furniture/Bed Frames/Mattresses		✓	✓	✓	✓	✓	✓	✓	
Walkways/Paintings					✓				

Proposed HVAC project **\$5.2M**