



Florida Agricultural and Mechanical University
Board of Trustees Action Item

Meeting Date: March 2016

Agenda Item

Item Origination and Authorization

Policy _____
Resolution _____

Award of Bid _____
Contract _____

Budget Amendment _____
Grant _____

Change Order _____
Other X _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: Approval of University Auxiliary Facilities Operating Budgets with Revenue Bond for Prior Year, Current Year and Projected Year

Rationale: Pursuant to Board of Governors Regulation 9.008, the collection of fiscal information related to certain auxiliary facilities with revenue bond covenant language requiring prior year, current year, and projected subsequent year income and expenditure must be adopted by the University Board of Trustees prior to being presented to the Board of Governors for approval.

Recommendation: It is recommended that the Board of Trustees approve the Income and Expenditure Statement (Operating Budgets) for these Auxiliary Facilities with Outstanding Revenue Bonds.

Supporting Documents Included: BOG Regulation 9.008 and the Income and Expenditure Statement for Housing and Parking.

Prepared By: Budget Office

Approved By: Vice President Dale Cassidy



Florida Agricultural and Mechanical University
Board of Trustees Action Item

9.008 University Auxiliary Facilities with Outstanding Revenue Bonds.

(1) Certain outstanding state university system bond issues for auxiliary facilities have covenants that state: "The Board of Governors shall annually, at least ninety (90) days preceding the beginning of each fiscal year, or at any other time as requested by the Board of Administration, prepare a detailed budget providing reasonable estimates of the estimated current revenues and expenses of the university during the succeeding fiscal year and setting forth the amount to be deposited in the (facility name) Maintenance and Equipment Reserve Fund. The budget shall be adopted by the Board of Governors and shall not be changed during the fiscal year except by the same procedure by which it was adopted."

(2) In order to satisfy bond covenant requirements specified in (1), it is necessary for each university to develop and submit, in advance of the annual submission of institutional budgets in August, operating budget detail approved by the University Board of Trustees for auxiliary facilities with such bond covenants and to report the anticipated amount to be deposited in the (facility) Maintenance and Equipment Reserve Fund(s). The reserve fund amount for each auxiliary bond issue shall be determined by each university's Board of Trustees in accordance with institutional policy and/or bond covenant requirements.

(3) Universities shall prepare an Income and Expenditure Statement, in a format provided by the Board of Governors, for each auxiliary bond issue (or series issue as amended) containing these bond covenants. The required annual submission date shall be as published on the BOG Information Resources Management Data Request Calendar website, but shall be no later than ninety (90) days prior to the beginning of the fiscal year reporting period. The financial information provided will be presented to the Board of Governors for approval as soon as meeting scheduling permits.

Authority: Section 7(d), Art. IX, Fla. Const., Specific Revenue Bond Covenant Language, State Bond Act, Section 11(d), Art. VII, Fla. Const., History-New 12-6-07.



Florida Agricultural and Mechanical University Board of Trustees Action Item

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: FLORIDA A&M UNIVERSITY

BOND TITLE: Student Dormitory Revenue and Revenue Refunding, Series 2010 A&B

AUXILIARY FACILITY (IES): HOUSING OPERATIONS

	2014-15 Actual	2015-16 Estimated	2016-17 Projected
1. REVENUE CARRIED FORWARD			
A. Operating Cash Carried Forward:			
Liqud	6,905,106	5,770,076	5,523,086
Investments	0	0	0
Sub-Total:	6,905,106	5,770,076	5,523,086
B. Replacement Reserve Forward:			
Bond Covenants (Facilities Maintenance and Equipment)	751,945	1,498,752	1,986,214
Other	0	0	0
Sub-Total:	751,945	1,498,752	1,986,214
TOTAL CARRIED FORWARD (A +B):	7,657,051	7,268,828	7,509,300
2. CURRENT YEAR REVENUE:			
* Revenue	13,884,181	15,021,000	15,337,089
Interest Income	0	0	0
Other Income	0	0	0
TOTAL CURRENT YEAR REVENUE:	13,884,181	15,021,000	15,337,089
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	21,541,232	22,289,828	22,846,389
4. EXPENDITURES			
Salaries and Matching	2,400,058	2,481,822	3,311,493
Other Personal Services	686,216	673	300,000
Operating Expense	4,500,051	5,271,505	2,526,343
Repairs and Maintenance	0	523,000	2,294,223
Debt Service	5,922,443	5,916,066	5,921,140
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	16,829	100,000	35,000
Other Expense & Transfers Out	746,807	487,462	460,113
TOTAL EXPENDITURES:	14,272,404	14,780,528	14,848,312
5. TRANSFERS TO REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	746,807	487,462	460,113
Other	0	0	0
Sub-Total:	746,807	487,462	460,113
6. TRANSFERS FROM REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	0	0	0
Other	0	0	0
Sub-Total:	0	0	0
7. ENDING REPLACEMENT RESERVES (1B +5 -6)			
Bond Covenants (Facilities Maintenance and Equipment)	1,498,752	1,986,214	2,446,327
Interest Income Earned on Reserve Balance	0	0	0
Sub-Total:	1,498,752	1,986,214	2,446,327
8. ENDING OPERATING CASH (1A +2 -4 -5)	5,770,076	5,523,086	5,551,750
9. SUMMARY OF ENDING REVENUES (7 +8)	7,268,828	7,509,300	7,998,077

*** REQUIRED INFORMATION ***

Date budget approved by University Board of Trustees :

OR : Anticipated approval date by University Board of Trustees :
(Follow-up confirmation of UBOT approval will be required)

Prepared By : Ronica Mathis

Telephone : 850-412-5289

* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.



Florida Agricultural and Mechanical University Board of Trustees Action Item

Page 2

UNIVERSITY AXILIARY FACILITIES NARRATIVE SUPPLEMENT TO INCOME AND EXPENDITURE STATEMENT TO BE PROVIDED TO BOARD OF GOVERNORS MEMBERS

1. Do the pledged revenues reported contain any overhead assessments ? If yes, please explain.
No.

2. Do pledged revenues or expenditures change year over year 10% or more ? If yes, please explain.
The increase in salaries is due to the increase in the occupancy rate. With more students in the resident facilities, it was necessary to increase the personnel in the housing enterprise.

3. Please explain amounts categorized as "other".
"Other Expense & Transfer Out" includes the 3% replacement and repairs reserves.

4. Add lines as needed for additional university comments. This information will be shared with Board of Governors members.



Florida Agricultural and Mechanical University Board of Trustees Action Item

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY: FLORIDA A&M UNIVERSITY

BOND TITLE: Parking Facilities Revenue Bond Series 1997

AUXILIARY FACILITY (IES): PARKING OPERATIONS

	2014-15 Actual	2015-16 Estimated	2016-17 Projected
1. REVENUE CARRIED FORWARD			
A. Operating Cash Carried Forward:			
Liqud	1,439,485	1,641,829	1,650,678
Investments	0	0	0
Sub-Total:	1,439,485	1,641,829	1,650,678
B. Replacement Reserve Forward:			
Bond Covenants (Facilities Maintenance and Equipment)	772,011	793,574	856,117
Other	0	0	0
Sub-Total:	772,011	793,574	856,117
TOTAL CARRIED FORWARD (A +B):	2,211,496	2,435,403	2,506,795
2. CURRENT YEAR REVENUE:			
* Revenue	2,194,613	2,084,770	2,007,344
Interest Income	0	0	0
Other Income	0	0	0
TOTAL CURRENT YEAR REVENUE:	2,194,613	2,084,770	2,007,344
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	4,406,109	4,520,173	4,514,139
4. EXPENDITURES			
Salaries and Matching	584,049	465,878	819,650
Other Personal Services	3,706	0	45,000
Operating Expense	915,299	1,069,551	1,157,897
Repairs and Maintenance	0	0	0
Debt Service	233,290	233,290	232,790
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	0	63,546	0
Other Expense & Transfers Out	190,087	181,113	195,568
TOTAL EXPENDITURES:	1,926,431	2,013,378	2,450,905
5. TRANSFERS TO REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	65,838	62,543	60,220
Other	0	0	0
Sub-Total:	65,838	62,543	60,220
6. TRANSFERS FROM REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	44,275		0
Other	0	0	0
Sub-Total:	44,275	0	0
7. ENDING REPLACEMENT RESERVES (1B +5 -6)			
Bond Covenants (Facilities Maintenance and Equipment)	793,574	856,117	916,337
Interest Income Earned on Reserve Balance	0	0	0
Sub-Total:	793,574	856,117	916,337
8. ENDING OPERATING CASH (1A +2 -4 -5)	1,641,829	1,650,678	1,146,897
9. SUMMARY OF ENDING REVENUES (7 +8)	2,435,403	2,506,795	2,063,234

*** REQUIRED INFORMATION ***

Date budget approved by University Board of Trustees :

OR : Anticipated approval date by University Board of Trustees :
(Follow-up confirmation of UBOT approval will be required)

Prepared By :

Telephone :

* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.



Florida Agricultural and Mechanical University Board of Trustees Action Item

Page 2

UNIVERSITY AXILIARY FACILITIES
NARRATIVE SUPPLEMENT TO INCOME AND EXPENDITURE STATEMENT
TO BE PROVIDED TO BOARD OF GOVERNORS MEMBERS

1. Do the pledged revenues reported contain any overhead assessments ? If yes, please explain.
Yes, there is a 6% overhead assessment. It is listed in the expenditures as Other Expenses & Transfers Out.

2. Do pledged revenues or expenditures change year over year 10% or more ? If yes, please explain.
In the past years, there has been several vacant positions. A new parking system has been purchased and a new administration in the parking area. The unit is being reorganized and the vacancies are being filled.

3. Please explain amounts categorized as "other".
"Other Expenses & Transfers Out" contains the 3% for replacement and repair reserves and, the 6% is for overhead assessments.

4. Add lines as needed for additional university comments. This information will be shared with Board of Governors members.