



Item: BF: I-1

**BUDGET AND FINANCE COMMITTEE**  
Tuesday, April 21, 2020

**SUBJECT: FINANCIAL UPDATE.**

---

**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

University's financial update for Fiscal Year 2019-20.

**IMPLEMENTATION PLAN/DATE**

N/A.

**FISCAL IMPLICATIONS**

N/A.

---

**Supporting Documentation: FAU Q3 Financial Report Presentation**

**Presented by:** Mr. Jeff Atwater, V.P. Strategic Initiatives and CFO

**Phone:** 561-297-3267



# FAU Q3 Financial Report

4/14/2020

BoT Update



## **FAU Q3 Financial Report**

### Table of Contents

Page 1- Definitions

Page 2- Year-over-Year 9-Month E&G Comparison

Page 3- 9-Month Tuition Net of Waivers

Page 4- College of Nursing 2<sup>nd</sup> Degree Auxiliary Program

Page 5- FAU FY2020 Budget to Actuals Report- Before COVID-19

Page 6- FAU FY2020 Budget to Actuals Report- After COVID-19

Page 7- Current Summer/Fall Admissions



## Colors of Money Description

**Educational and General (E&G):** E&G supports the academic mission of the university through expenditures for instruction, research, library and learning resources, student services, university support, and physical plant, including the Medical School.

**Auxiliary Enterprises:** Auxiliary Enterprises are comprised of business and enterprise operations that are self-supporting through user fees, payments, and charges. Amounts reported also include Technology Fee Funds.

**Student Financial Aid:** Student Financial Aid is comprised of funding from student financial aid fees, support from federal and state financial aid awards, institutional programs, as well as numerous private scholarships.

**Student Activity:** Student Activity is comprised of funding from the activity and service fee paid by students, club and program income.

**Athletics:** Athletics is comprised of funding from student athletic fees, athletic event ticket sales, game guarantees, corporate sponsorships, National Collegiate Athletic Association distributions and private support and gifts.

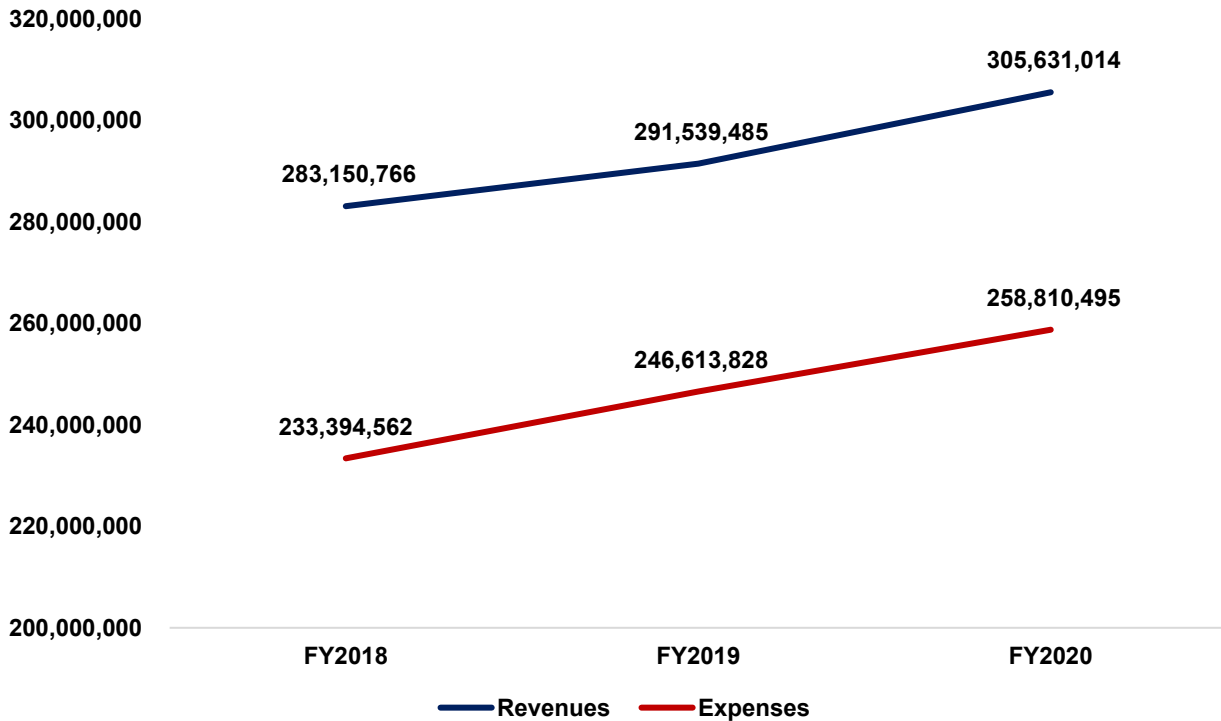
**Contracts and Grants:** Contracts and Grants are comprised of funding from many sources, including federal, state and local governmental agencies and private organizations, FAU and HBOI Foundation endowment distribution and A. D. Henderson University School.

**Concession:** Concession is primarily comprised of funding from campus vending machines and the soft drink beverage contract.

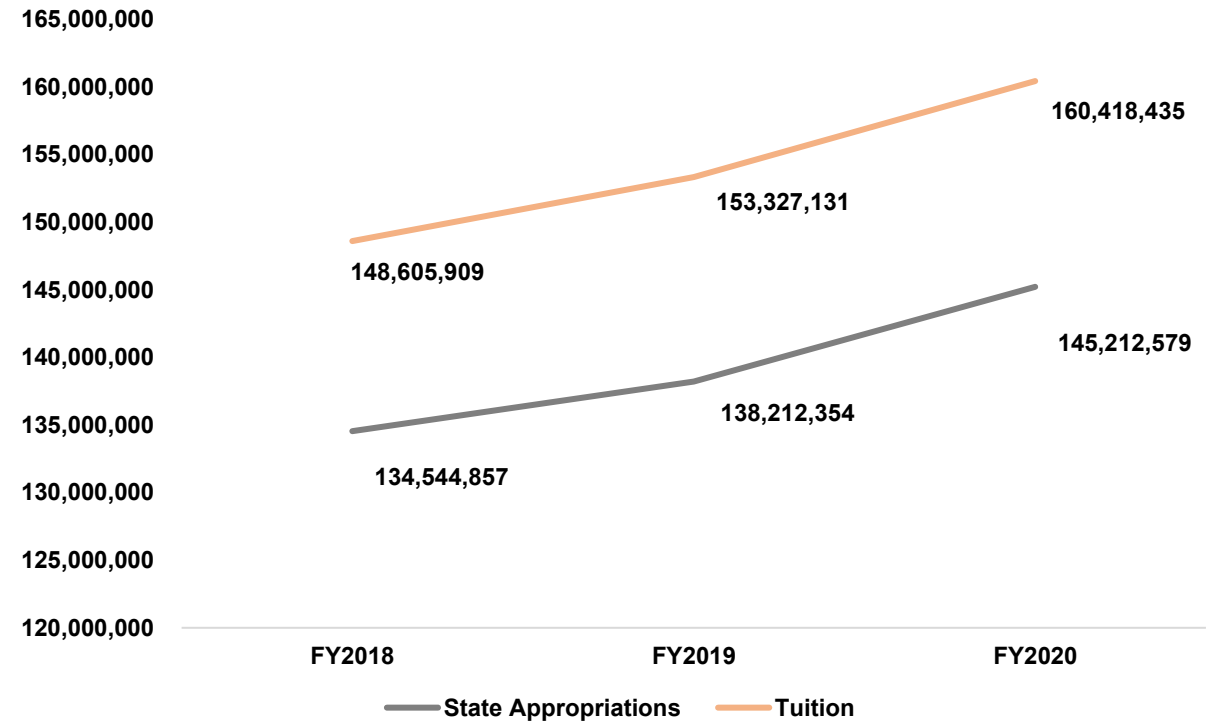


# E&G Revenues & Expenditures – Q3

E&G Revenues and Expenses



E&G Revenues Broken Out

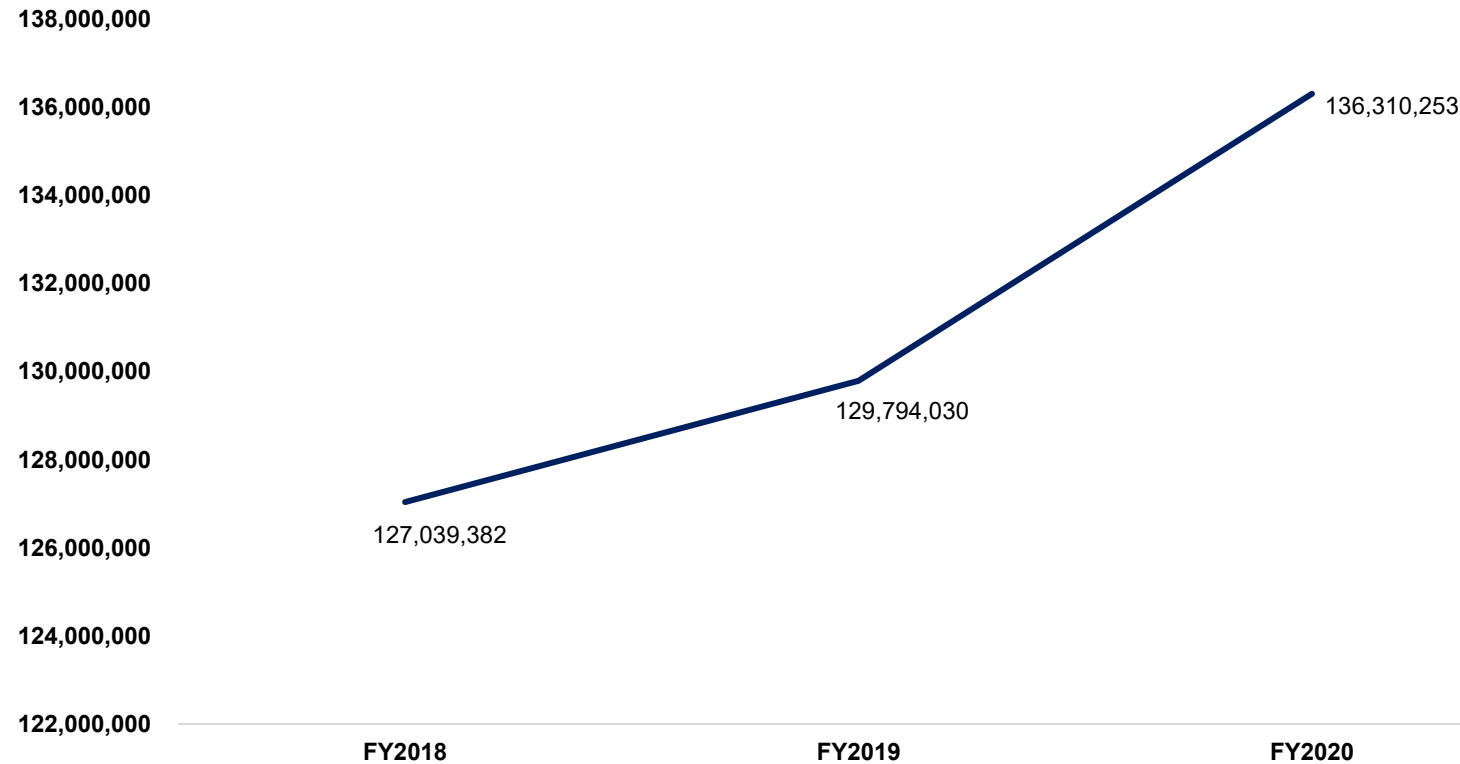


	E&G		
	FY2018	FY2019	FY2020
<b>Revenues</b>	<b>283,150,766</b>	<b>291,539,485</b>	<b>305,631,014</b>
<i>State Appropriations</i>	<i>134,544,857</i>	<i>138,212,354</i>	<i>145,212,579</i>
<i>Tuition</i>	<i>148,605,909</i>	<i>153,327,131</i>	<i>160,418,435</i>
<b>Expenses</b>	<b>233,394,562</b>	<b>246,613,828</b>	<b>258,810,495</b>

- Due to the Legislature’s confidence in the university and our FAU 100 initiative, appropriations have been substantially higher over last year.
- Tuition continues to increase due to our robust enrollment campaigns and strive to increase graduation rates at the university.



## FY20 Highlights - Net Tuition & Fees



Tuition has steadily increased in FY 2020 notwithstanding a continued increase in state mandated waivers. This has been led by strong growth in both in-state and out-of-state credit hours.

Fall & Spring Credit Hours			
	2017-2018	2018-2019	2019-2020
Florida Resident	535,711	538,920	549,075
Non-Florida Resident	66,848	71,208	79,324
<b>Grand Total</b>	<b>602,559</b>	<b>610,127</b>	<b>628,398</b>

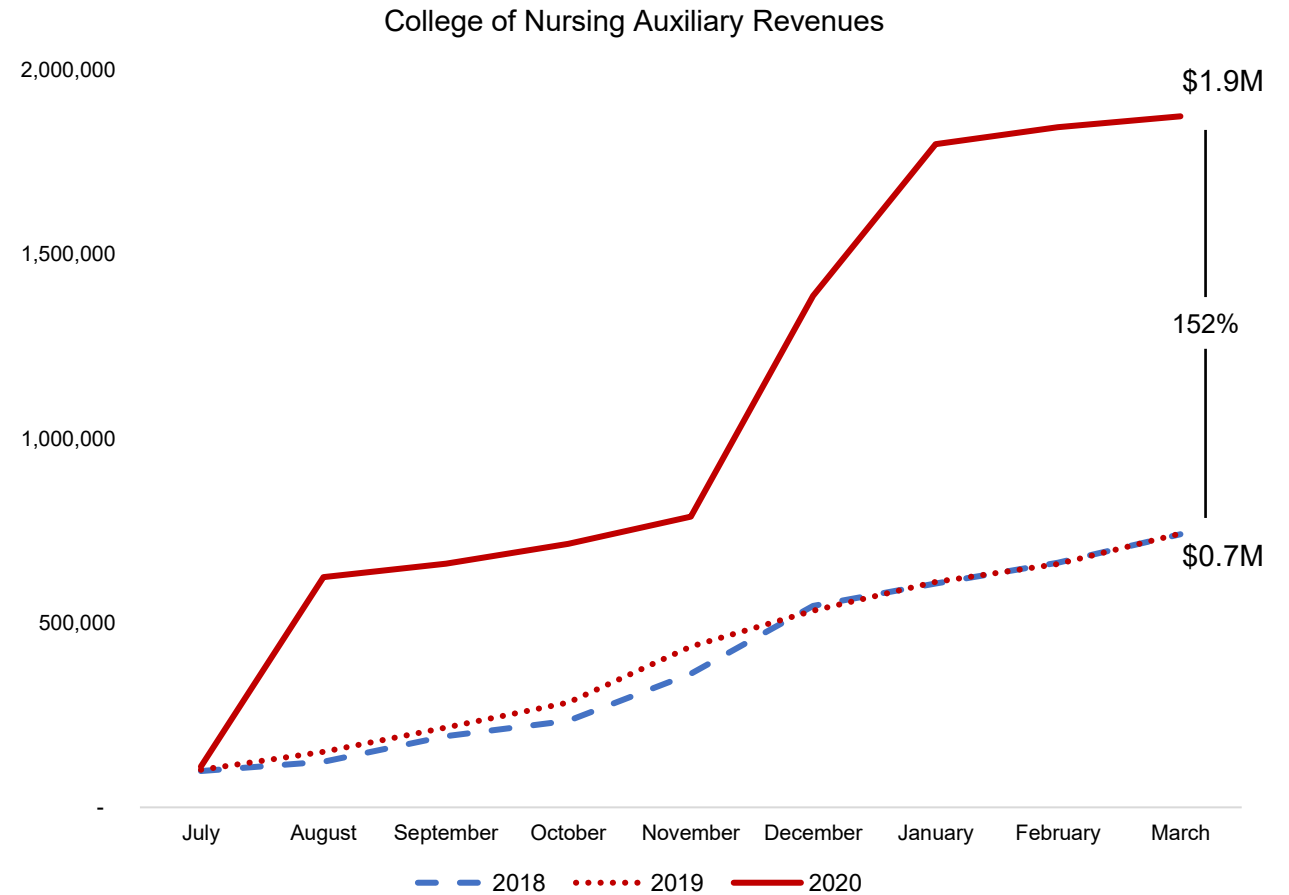
Four-Year FTIC graduation rates are projected to be over 3 percentage points above last year (37.1%). More FTICs are completing their degree at FAU resulting in an increase in student credit hours.

Net Tuition and Fees			
	FY2018	FY2019	FY2020
Tuition and Fees	148,605,909	153,327,131	160,418,435
Waivers	21,566,527	23,533,101	24,108,183
<b>Net Tuition and Fees</b>	<b>127,039,382</b>	<b>129,794,030</b>	<b>136,310,253</b>



## FY20 Highlights – College of Nursing

This fiscal year the College of Nursing launched a self-sustaining program in Davie. Auxiliary revenues up 152% for the college compared to March of last year.





# 2019-20 FAU Budget & Financial Performance Projection

1	2	3	4	5	6	7
Category and Fund Type	FY20 Budget	Actual (3/31/20)	Projection (4/1-6/30)	FY20 (prior to COVID-19)	Total Actual to Budget (Prior)	% B2A (Prior)
<b>REVENUE</b>						
Education & General	355,805,924	305,631,014	43,694,148	349,325,162	(6,480,762)	98%
Auxiliaries *	130,487,728	101,457,069	30,838,431	132,295,501	1,807,773	101%
Student Financial Aid	203,887,240	188,742,605	26,949,381	215,691,986	11,804,746	106%
Student Activities	9,160,206	9,248,785	-	9,248,785	88,579	101%
Athletics	31,236,967	18,421,999	12,814,968	31,236,967	-	100%
Contracts and Grants	28,934,172	24,261,936	5,956,312	30,218,248	1,284,076	104%
Sponsored Research	46,000,000	34,693,331	11,564,444	46,257,774	257,774	101%
Concession	625,000	354,286	268,095	622,381	(2,619)	100%
<b>TOTAL REVENUE</b>	<b>806,137,237</b>	<b>682,811,026</b>	<b>132,085,778</b>	<b>814,896,804</b>	<b>8,759,567</b>	<b>101%</b>
<b>EXPENDITURES</b>						
Education & General	343,540,904	258,810,495	68,070,677	326,881,172	16,659,732	95%
Carryforward	36,842,328	11,238,405	10,368,838	21,607,243	15,235,085	59%
Auxiliaries *	144,982,195	105,807,712	34,896,416	140,704,128	4,278,067	97%
Student Financial Aid	203,848,798	187,186,805	26,353,325	213,540,130	(9,691,332)	105%
Student Activities	10,044,510	6,488,958	2,162,986	8,651,943	1,392,567	86%
Athletics	31,236,967	21,945,098	9,291,869	31,236,967	-	100%
Contracts and Grants	32,101,931	24,479,150	6,015,458	30,494,607	1,607,324	95%
Sponsored Research	42,700,000	35,311,425	11,770,475	47,081,900	(4,381,900)	110%
Concessions	625,000	519,063	115,347	634,411	(9,411)	102%
<b>TOTAL EXPENDITURES</b>	<b>845,922,633</b>	<b>651,787,112</b>	<b>169,045,391</b>	<b>820,832,503</b>	<b>25,090,130</b>	<b>97%</b>

E&G Revenue increased 8.3M over the prior year due to FAU 100 12M offset by State reductions of 2.7M resulted in net 9.3M increase over prior year. This is offset by increase in additional waivers. Currently projecting a savings of 5% in E&G spending.

Auxiliary Revenue is projected to be at 101% of budget and up 4.8M over FY19 due to the Center of e-Learning (2.8M) and College of Nursing BSN program (1.2M), COB (1.4M)

Student financial aid revenue and expense are up 6% and 5%, respectively, over budget due to a continual uptick in Bright Futures of 4.1M (up 8M since FY2018). Federal Stafford Loans continue to decrease as other sources of funds become available to students as compared to Alternative Private Loans on the rise.

Grants and Contracts revenue and expense are up 2% and 4%, respectively, over budget due to an increase in Sponsored research spend. The University's strategic emphasis on research as part of its pillars and platforms resulted in Sponsored Research Spend up 4.4M over budget. DOR operations are up significantly as revenues are driven by higher indirect recoveries.

\* Information reported excludes FY20 Budget approval of Direct Support Organizations (FAUFC, CPO). That information will be reported on the Direct Support Organizations financial statements





# 2019-20 FAU Budget & Financial Performance Projection

1	2	3	4	5	6	7	
1	Category and Fund Type	FY20 Budget	FY20 (prior to COVID-19)	COVID 19 Impact	FY20 (after COVID-19)	Total Actual to Budget (After)	% B2A (After)
2	<b>REVENUE</b>						
3	Education & General	355,805,924	349,325,162		349,325,162	(6,480,762)	98%
4	Auxiliaries *	130,487,728	132,295,501	(2,410,394)	129,885,107	(602,621)	100%
5	Student Financial Aid**	203,887,240	215,691,986	11,214,937	226,906,923	23,019,683	111%
6	Student Activities	9,160,206	9,248,785		9,248,785	88,579	101%
7	Athletics	31,236,967	31,236,967	(2,500,000)	28,736,967	(2,500,000)	92%
8	Contracts and Grants	28,934,172	30,218,248	(1,116,000)	29,102,248	168,076	101%
9	Sponsored Research***	46,000,000	46,257,774	11,214,937	57,472,711	11,472,711	125%
10	Concession	625,000	622,381		622,381	(2,619)	100%
11	<b>TOTAL REVENUE</b>	<b>806,137,237</b>	<b>814,896,804</b>	<b>16,403,480</b>	<b>831,300,285</b>	<b>25,163,048</b>	<b>103%</b>
12							
13	<b>EXPENDITURES</b>						
14	Education & General	343,540,904	326,881,172	(6,649,971)	320,231,201	23,309,703	93.21%
15	Carryforward	36,842,328	21,607,243	1,024,825	22,632,068	14,210,260	61.43%
16	Auxiliaries *	144,982,195	140,704,128	5,345,526	146,049,655	(1,067,460)	100.74%
17	Student Financial Aid	203,848,798	213,540,130	11,214,937	224,755,067	(20,906,269)	110.26%
18	Student Activities	10,044,510	8,651,943	(18,688)	8,633,255	1,411,255	85.95%
19	Athletics	31,236,967	31,236,967	(845,916)	30,391,051	845,916	97.29%
20	Contracts and Grants	32,101,931	30,494,607	(178,152)	30,316,455	1,785,476	103.43%
21	Sponsored Research	42,700,000	47,081,900	(30,310)	47,051,591	(4,351,591)	110%
22	Concessions	625,000	634,411		634,411	(9,411)	101.51%
23	<b>TOTAL EXPENDITURES</b>	<b>845,922,633</b>	<b>820,832,503</b>	<b>9,862,251</b>	<b>830,694,754</b>	<b>15,227,879</b>	<b>96.09%</b>

Covid19 Impacts reflected in column 4

Loss of Auxiliary revenues of events due to closure of Student Union, reduction in Bookstore commissions and meal plan contracts for first half of summer due to online courses, and other forgone revenues due to closures.

Loss of revenues from the Foundation relate to cancelled or postponed events such as the FAU Golf Tournament, etc. that directly relate to fundraising for the University.

Increase in education and general expenses due to additional technology needed to transition to online classes and additional expenses incurred for COVID-19.

Increase in auxiliary expenses due to refunds issued to students for housing/dining, cancellations for events for Lifelong Learning.

\* Information reported excludes FY20 Budget approval of Direct Support Organizations (FAUFC, CPO). That information will be reported on the Direct Support Organizations financial statements.

\*\* First tranche of \$11.2M in federal stimulus is received as student financial aid that will pass-through directly to student.

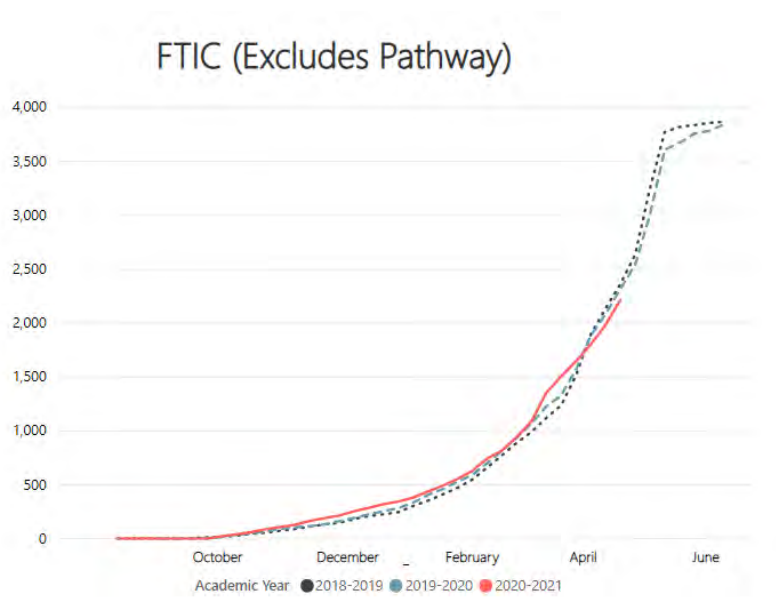
\*\*\* Second tranche of \$11.2M in federal stimulus is shown under sponsored research.



# Current Summer/Fall Admissions

- FTIC deposits are slightly down at -1% (-33 students) over the same time last year. This is mostly attributed to a decline in Non-Florida Resident deposits (-18%, -55 students).
- Transfer deposits are currently up at 16% (171 students) over the same time last year. More students in the Florida College System are finding FAU to be an attractive destination to continue their education.
- The new FAU “Pathway Programs” is seeing a high amount of interest with 895 deposits currently. No direct comparison is available from last year as this is a new initiative. The closest comparison would be the roughly 260 early start students from last academic year. \*

Summer/Fall Admissions				
	2019	2020	Growth	
			n	%
FTICs	2,249	2,216	(33)	-1.5%
Transfers	1,069	1,240	171	16.0%
Pathways	260	895	635	244.2%
<b>Totals</b>	<b>3,578</b>	<b>4,351</b>	<b>773</b>	<b>21.6%</b>



Pathway programs represent various initiatives to assist students in establishing entry into the university.

Registration for the entire university is up 13,382 (13.3%) credit hours over last year for the Summer but down 5,986 (4.5%) credit hours for the Fall.