



Item: BF: A-M

BUDGET AND FINANCE COMMITTEE

Tuesday, February 4, 2025

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE November 19, 2024 BOT BUDGET AND FINANCE COMMITTEE MEETING.

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the November 19, 2024 Budget and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Pablo Paez, Chair	_____
Mr. Robert Flippo, Vice Chair	_____
Mr. Piero Bussani (ex-officio)	_____
Mr. Shaun Davis	_____

BOT MEMBERS

Mr. Stefan Andjelkovic	_____
Dr. Kimberly Dunn	_____
Mr. Jon Harrison	_____
Mr. Brad Levine	_____
Mr. Scott McCleneghen	_____
Mrs. Sherry Murphy	_____
Mr. Jonathan Satter	_____
Mrs. Linda Stoch	_____
Ms. Tina Vidal-Duart	_____



BUDGET AND FINANCE COMMITTEE MINUTES

Tuesday, November 19, 2024

BF: A-M Roll Call and Approval of Minutes for June 4, 2024, BOT Budget, and Finance Committee Meeting.

Chair Pablo Paez, roll call commenced, confirming a quorum, with the following members participating in the meeting: Vice Chair Mr. Rob Flippo, Mr. Piero Bussani, Mrs. Barbara Feingold, Mr. Shaun Davis, Mrs. Elycia Morris, Mr. Stefan Andjelkovic, Mr. Daniel Cane, Dr. Kimberly Dunn, Mr. Earnie Ellison, Mr. Brad Levine, Mrs. Sherry Murphy, and Mrs. Linda Stoch.

The following university officials participated: Ms. Stacy Volnick, Interim President; Mr. Jayson Iroff, Vice President of Financial Affairs and CFO; Dr. Larry Faerman, Vice President of Student Affairs; Mr. Daniel Jones, Vice President of Legal Affairs and General Counsel; Mrs. Michelle DePalma, Chief Financial Officer of the FAU Foundation; and Mrs. Lynn Asseff, Associate Vice President of Financial Management.

The following guess: Mr. Ken Kurdziel, James Moore Company, Ms. Christine Horrocks, Rehmann

A motion was made and seconded to approve the June 4, 2024, minutes without change or correction. **The motion passed unanimously.**

AC: I-2 Audited Financial Statements FY 24 for DSOs:

a. FAU Finance Corporation (FAUFC)

Mr. Jayson Iroff presents Mr. Ken Kurdziel from James Moore, the lead audit partner, who presented the audit report to the FAU Finance Corporation board director on November 15, 2024. Our audit report was a clean, unmodified opinion. We reviewed the risks associated with the Finance Corporation that were addressed as part of our audit with the board. The audit went very smoothly. We have no findings or adjustments made because of the audit.

Mr. Jayson Iroff comments on FAU Finance Corporation's financial performance FY 23/24 as compared to FY 22/23; though operating margins were down slightly year over year in FY 23/24, overall revenues exceeded expenses by 19 point 9 million, which was down by 2.7 million from the prior year, or 12% which was 22 point 6 million. All of that does not include depreciation expense of about 10 million. The difference was due to the following: overall revenues were up slightly year over year by 400,000 from 45 point 2 million to 45 point 6 million as a slight decrease in housing revenues was offset by increased interest earnings

expenses over the same period, increased by 2.2 million due mainly to increases in general maintenance and deferred maintenance, and including replacement cost. So, we're investing in our infrastructure. Last, I'm pleased to report reserves group to our highest levels of \$56 million, of which 32 million is unrestricted. So, continue to perform at excellent reserve levels, which will take up questions.

b. FAU Research Corporation (FAURC)

Mr. Jayson Iroff presents Ms. Christine Horrocks from Rehmann, the lead audit partner, who will present the audit report to the board. It was given to FAU Research Corporation board of directors on November 6, 2024. There was no funding, and there were no audit adjustments. Mrs. Lynn Asseff commented on FAU Research Corporation that our royalties were talking to 24 over 23. We have a couple of new companies we're working with now, and our SPIA investment account outperformed what we budgeted. This is another good news for our first quarter this year. Last quarter's over, you know, slightly \$3,000, and nothing that we can't make up for, but RSV continues to outperform, so we're doing better in the investment part.

c. FAU Clinical Practice Organization (FAUCPO)

Mr. Jayson Iroff presents Ms. Christine Horrocks from Rehmann, the lead audit partner, who will present the audit report to the board. It was given to the FAU Clinical Practice Organization board of directors on November 6, 2024. Again, FAU Clinical Practice Organization was a complete opinion. We had no findings. We had no audit adjustments. Mr. Jayson Iroff comments on FAUCPO, the organization's revenues, representing medical staffing and patient services, totaling 5.24 million and 5.19 million for the years ending June 30, 2024, and 2023. It has increased by about \$45,000, driven by increased patient services revenue for the College of Medicine, Integrative Health Site, and the College of Education, CSD clinic, which have experienced increases in patient visits over the past fiscal year. Operating expenses associated with the direct operations of the organization total approximately 4.9 million and 5.4 million points per year, and on June 30, 24, and 23, Congress prices went down, which increased our margins. So overall, at the end of FY 2023/24, the net position improved to 380k, an increase of 323k from the prior fiscal year.

d. FAU Foundation Inc. (FAUF)

Mr. Jayson Iroff presents Mr. Ken Kurdziel from James Moore, Co. Continuing with the same trend, our audit reports for the FAU Foundation are unmodified at all as a result of our audit procedures, and we have no internal Control findings that we reported to the only committee. We met with the committee on November 6, 2024, and they accepted the audit results. Mrs. Michelle DePalma commented. The foundation audited financials this year overall. Our assets have seen a steady increase from FY 23 to 24. Our net assets were 462 819 760, a 6% increase from the prior year and from 2022 to 2023 when our increase was 5%, so we're slowly seeing a steady increase. The most significant asset that the Foundation maintains is the endowment, which alone increased 10% from the last fiscal year to 2023 to 24. The total endowment is 295,135,017. Since the downturn market in fiscal 2022, the overall return for the endowment has exceeded the NACUBO benchmarks for 2023, and that trend appears to continue. Our net position for the foundation, or the equity, has also steadily increased.

We are up from our total net position of 413,654,919, up 7% from the prior fiscal year. The increase from 2022 to 23 was approximately 6%, moving on to the change in that position, or related to the profit and loss of the foundation; our overall change in that position was up 18%, which was 27,618,092. The prior change from 2022 to 23 was an increase of 200% because, again, in fiscal year 22, we had a considerable downturn in the market in which every entity, probably across the board, saw massive decreases. Our overall operating income or loss was a trend.

Action Item: The Board of Trustees would like to see a comparative financial report for DSOs moving forward.

Adjournment of Meeting: With no other issues to discuss, a motion was made and seconded to adjourn the Audited Financial Statements FY 24 for DSOs at 10:36 a.m.

BF: I-1 Update on University Financial Performance – Year End FY 24 and FY 2025 First Quarter, July – September 2024.

Mr. Jayson Iroff, update on the Housing Project and associated debt issuance. The university maintained stable bond ratings of A1 by Moody's and A+ by Fitch for a \$117 million debt issuance. The housing project is on track, with construction documents at 50% completion and vertical construction set to begin in May.

Mr. Jayson Iroff presented on Financial Performance—year End FY 24 and FY 2025 First Quarter, July—September 2024. The fiscal year saw revenues exceeding the budget by 7.5% and expenses under by 2.2%. The first quarter of the new fiscal year showed revenues up by 11.8% and expenses up by 10.2%. Enrollment growth contributed to these positive financial outcomes.

Without questions or comments, a motion was made and seconded to adjourn the meeting.
The meeting was adjourned at 11:33 AM.