



FLORIDA ATLANTIC UNIVERSITY
Board of Trustees

Item: BF:1-1

BUDGET AND FINANCE COMMITTEE

Tuesday, April 08, 2025

SUBJECT: University Financial Performance, Quarter 2, FY2024-25

PROPOSED COMMITTEE ACTION

Information only.

BACKGROUND INFORMATION

This report will present the University's financial performance for the first two quarters of Fiscal Year 2024-25 (2025)

IMPLEMENTATION PLAN/DATE

N/A

FISCAL IMPLICATIONS

N/A

Supporting Documentation: Quarter 2 Financial Report

Presented by: Mr. Jayson Iroff, VP Financial Affairs & CFO Phone: 561-297-3134

FLORIDA ATLANTIC UNIVERSITY

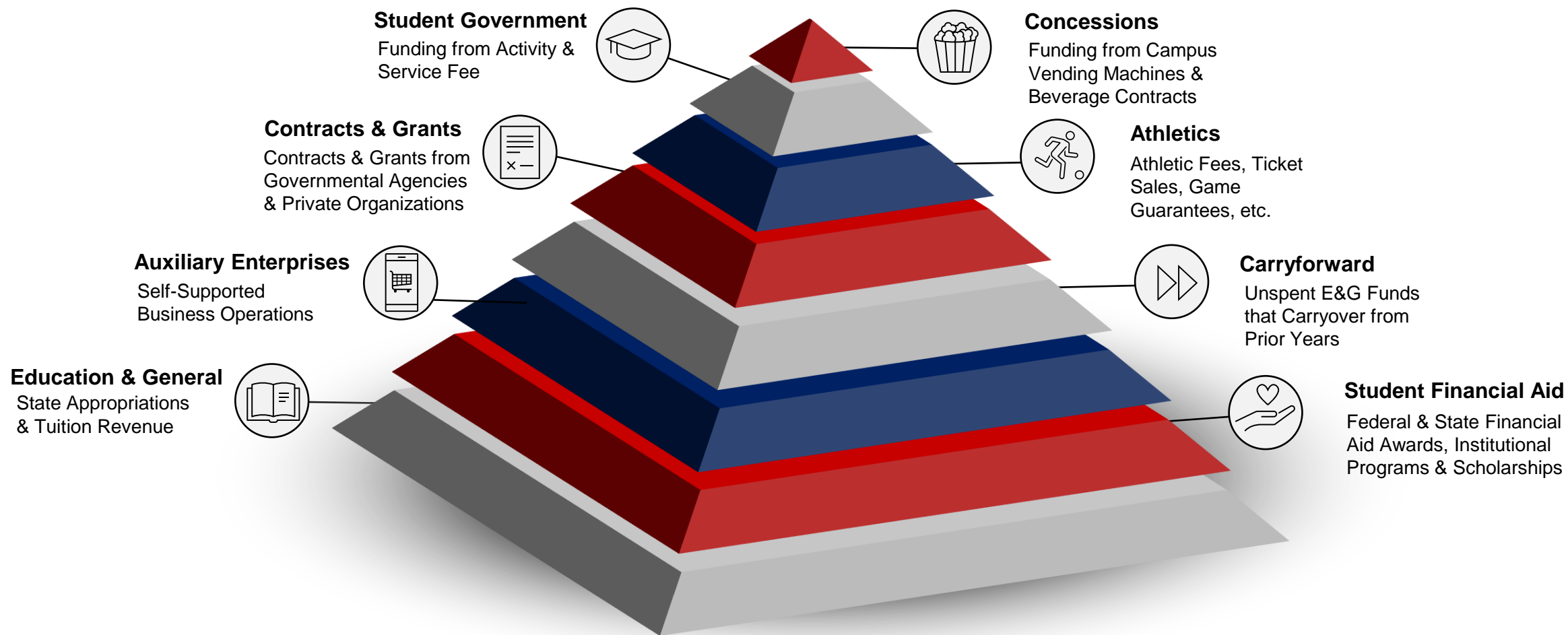


Fiscal Year July 1, 2024 – June 30, 2025
Quarter 2 Financial Performance
Jayson Iroff, Vice President & Chief Financial Officer



University Overview

Colors of Money



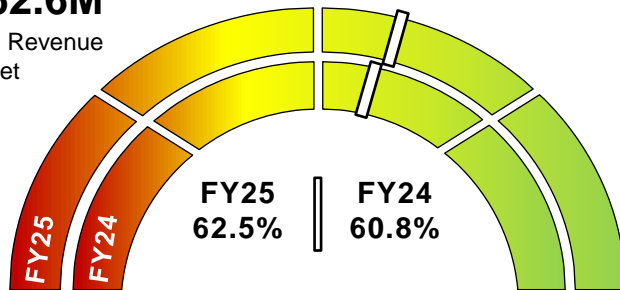


FY2024-2025 Quarter 2 Performance – All Funds

University Revenues to Budget

\$962.6M

FY25 Revenue Budget

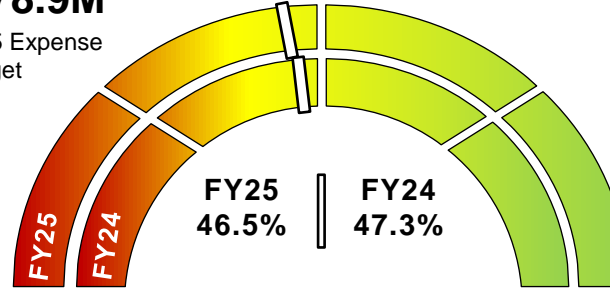


With enrollment demand remaining strong, FAU is progressing towards an expanded revenue target 1.7% faster when compared to the same period last year.

University Expenses to Budget

\$978.9M

FY25 Expense Budget



Overall spending remains aligned with budgeted expectations, tracking 0.8% slower than the same period last year.

Year-Over-Year Actual Revenue Change by Fund

Education & General	↑ 8.2M	Student Financial Aid	↑ 18.7M
Auxiliary Enterprises	↑ 12.5M	Athletics	↑ 4.8M
Contracts & Grants	↑ 2.9M	Concessions	↓ 38.0K
Student Government	↑ 0.5M		

Revenue Color Coding

- Green: Over Budget
- Yellow: Under Budget

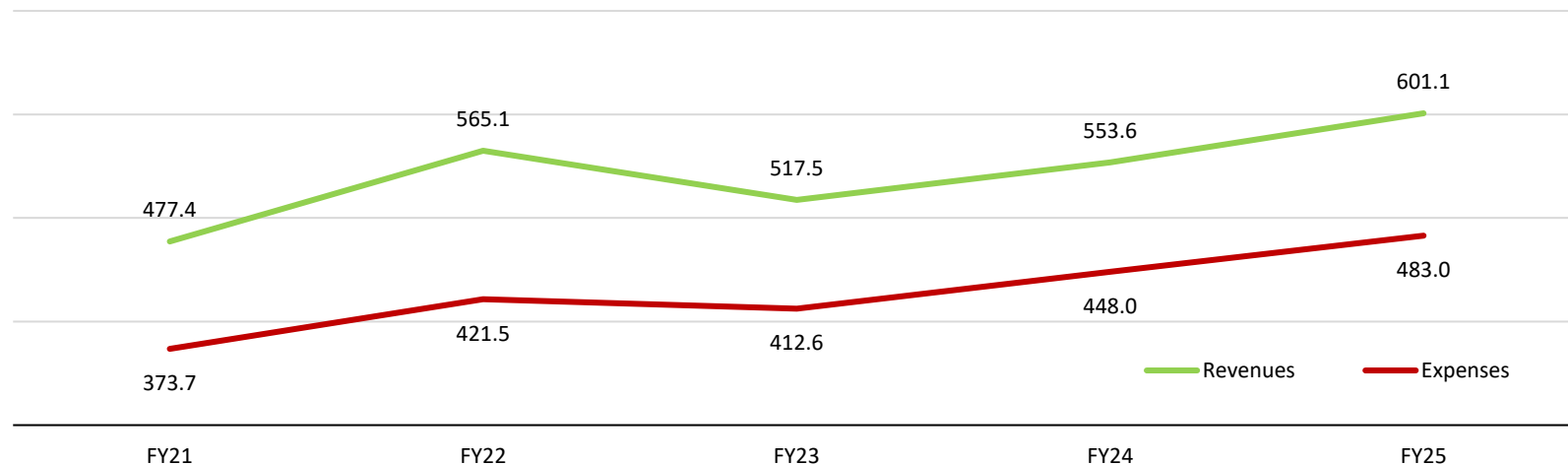
Year-Over-Year Actual Expense Change by Fund

Education & General	↑ 14.7M	Student Financial Aid	↑ 6.6M
Auxiliary Enterprises	↑ 3.3M	Athletics	↑ 0.2M
Contracts & Grants	↓ 2.5M	Concessions	↑ 53.0K
Student Government	↑ 32.6K		

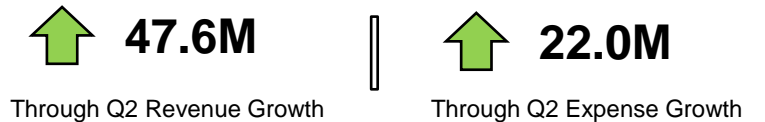
Expense Color Coding

- Green: Under Budget
- Yellow: Over Budget

University Actual Revenues & Expenses – 5 Year Trend



Overall University Revenue & Expense Growth





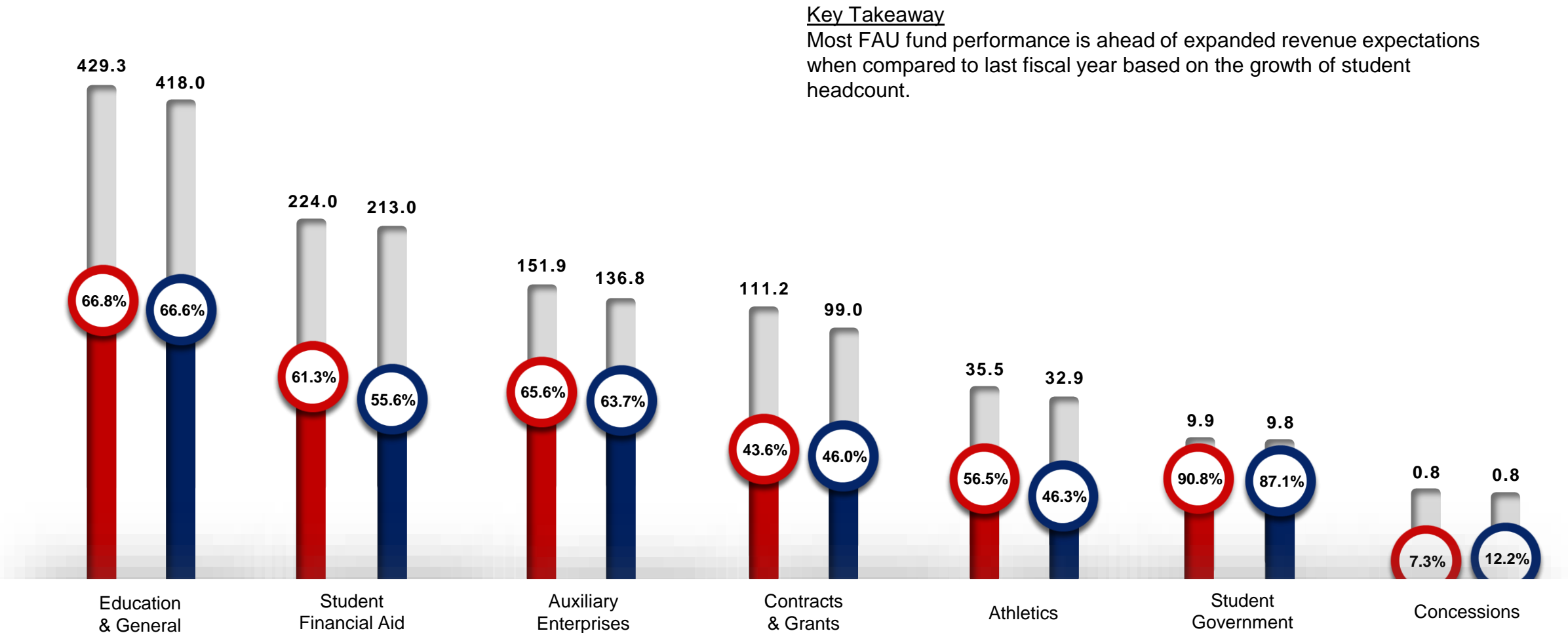
FY2024-2025 Quarter 2 Revenues





FY2024-2025 Quarter 2 Performance – All Funds Revenue Budget to Actuals

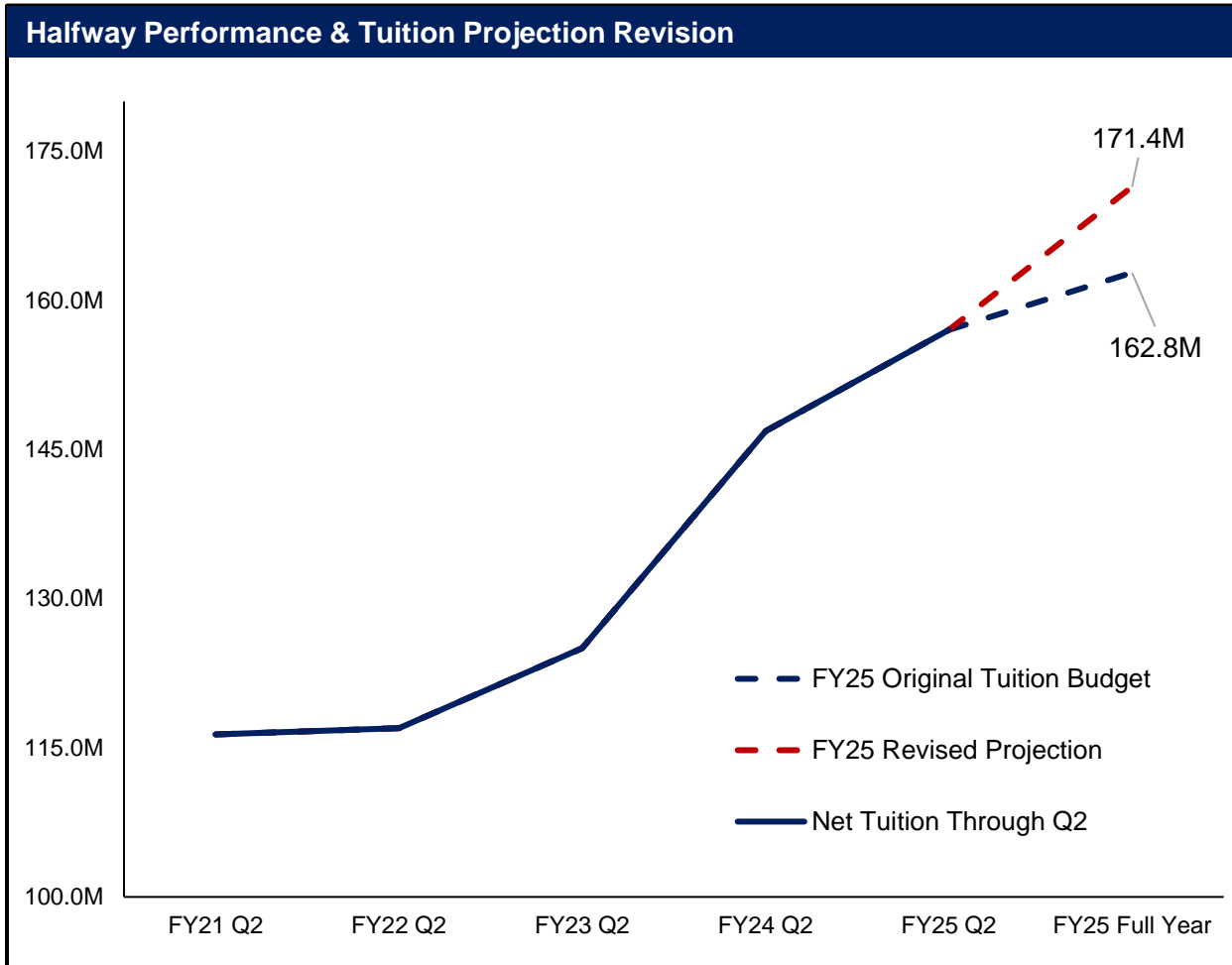
FY25 ● FY24 ●
(In Millions)





Stronger-Than-Expected FY2024-2025 Quarter 2 Tuition Performance

Tuition Through Q2 | Fiscal 2020 – Fiscal 2025



Key Points

- We are beating last year's tuition dollars when compared to the same period by 6.9%.**
 - Credit hours have increased in both fall and spring.
- Our end-of-year projection has been revised upwards.**
 - As the majority of the tuition cycle has now been realized—including Summer III, Fall, and Spring—we have revised our FY25 year-end projection to \$171.4 million. This represents a 5.3% increase over the original budget of \$162.8 million, which was based on the 2024 Accountability Plan's projected FTE growth rate of approximately 2.9%.



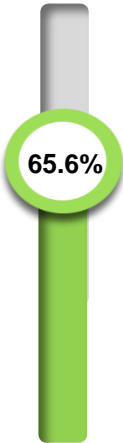
University Revenue

FY2024-2025 Quarter 2

↑ 12.5M

Auxiliaries

The increase in auxiliary revenues is driven by the success of executive degree programs, higher investment yields, and increased business activity from higher fall enrollment.



↑ 4.8M

Athletics

Revenue from athletics operations has increased when compared to the same period last year. This positive increase has been affected by several factors including conference advancement and enrollment growth.



↑ 2.9M

Contracts & Grants

Contracts & Grants revenues have increased compared to the same period last year, however, the revenue rate against the budget has slowed. The University attributes this to the timing of transactions and anticipates normalization as the year progresses.



↑ 18.7M

Student Financial Aid

As enrollment grows, so does the funding flowing into the university from federal and state sources. Expanded Pell Grant access, higher FAFSA completion rates, and targeted financial aid support all contribute to this increase. Student financial aid remains on track to meet its \$224M revenue target.





FY2024-2025 Quarter 2 Expenses





FY2024-2025 Quarter 2 Performance – All Funds Expense Budget to Actuals

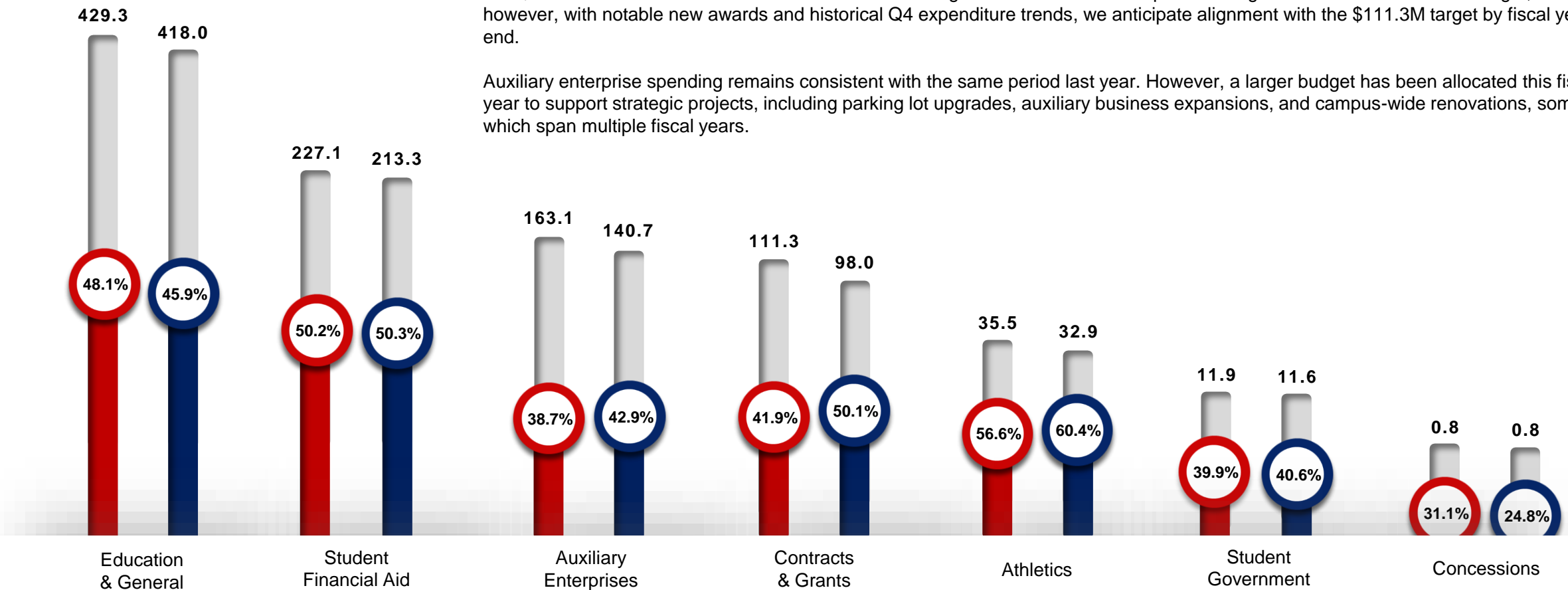
FY25 ● FY24 ●
(In Millions)

Key Takeaway

E&G spending remains aligned with the \$429.3M budget.

The \$2.5M decrease in Contracts & Grants actuals through Q2 reflects a slower spend rate against the increased FY25 budget; however, with notable new awards and historical Q4 expenditure trends, we anticipate alignment with the \$111.3M target by fiscal year-end.

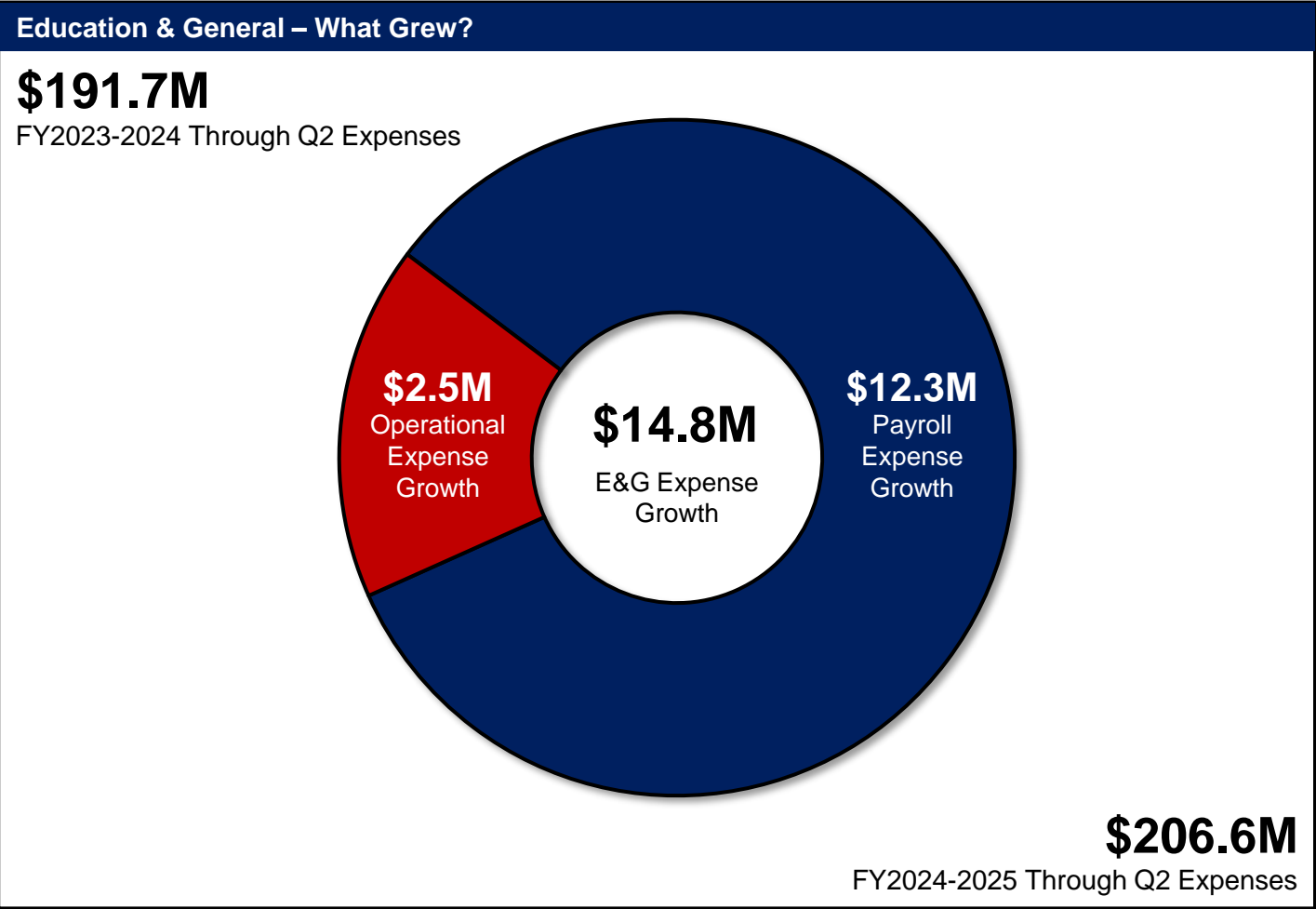
Auxiliary enterprise spending remains consistent with the same period last year. However, a larger budget has been allocated this fiscal year to support strategic projects, including parking lot upgrades, auxiliary business expansions, and campus-wide renovations, some of which span multiple fiscal years.





Education & General Expenses

FY2024-2025 Quarter 2



Analysis:

Expense Growth By Category	FY24	FY25	Growth
Payroll Expenses	136,637,475	148,947,422	9.01%
Operational Expenses	55,112,378	57,628,962	4.57%
Total	191,749,853	206,576,384	7.73%

1. Payroll expenses grew \$12.3M mostly due to:

- Increased employer health insurance and investment contributions.
- University-wide implementation of merit-based raises.
- One-time retention bonus awarded in November 2024, along with recruitment incentives for faculty funded by a nonrecurring state appropriation.

2. Operational expense increases are aligned with expectations.

These expenses have been executed as planned, as we will not exceed the 429.3M budget.



Information Item





Quarter 3 & Full Year Outlook

As we move through the third quarter, the University's financial outlook remains strong, tracking well against budgeted expectations. This stability is largely driven by sustained enrollment growth, which continues to serve as a key engine for financial success.

While tuition revenue recognition follows a cyclical pattern—with nearly 90% realized by midyear—enrollment growth extends its impact beyond direct tuition dollars. Increased student engagement strengthens auxiliary services, student financial aid, and athletics, creating a positive effect across the University's ecosystem.

Recent tuition trends underscore this momentum:

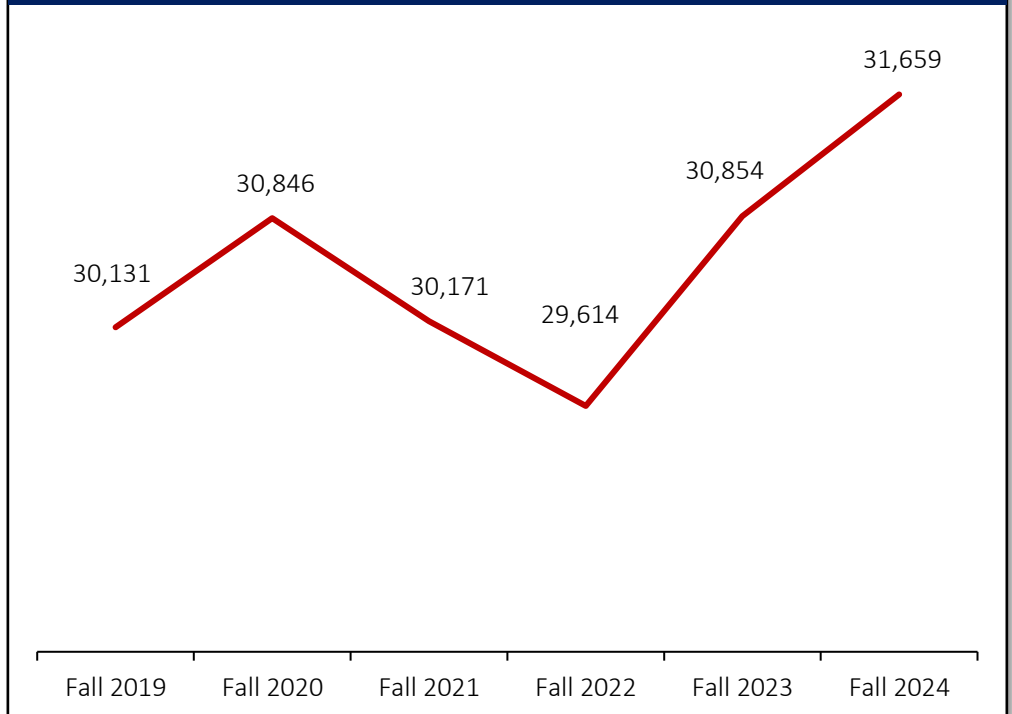
- 13.8% actual growth from FY23 to FY24.
- 7.0% projected growth from FY24 to FY25.

These figures underscore the University's ability to attract and retain students, positioning us for continued financial health and operational success.

Further strengthening financial performance, the University remains well-aligned with its anticipated research expenditures as we approach year-end. Advancements in National Institutes of Health-funded projects and strategic investments in technology infrastructure, particularly in magnetic resonance-related research, underscore key initiatives driving innovation and progress. These efforts, combined with historically high Q4 expenditures, reinforce our ability to meet financial targets.

As we move forward, maintaining this momentum will be critical. We will continue monitoring enrollment patterns, optimizing resource allocation, and leveraging our growing student base and research portfolio to ensure long-term financial sustainability across all university operations.

Fall 2024 Total Enrollment





Thank You

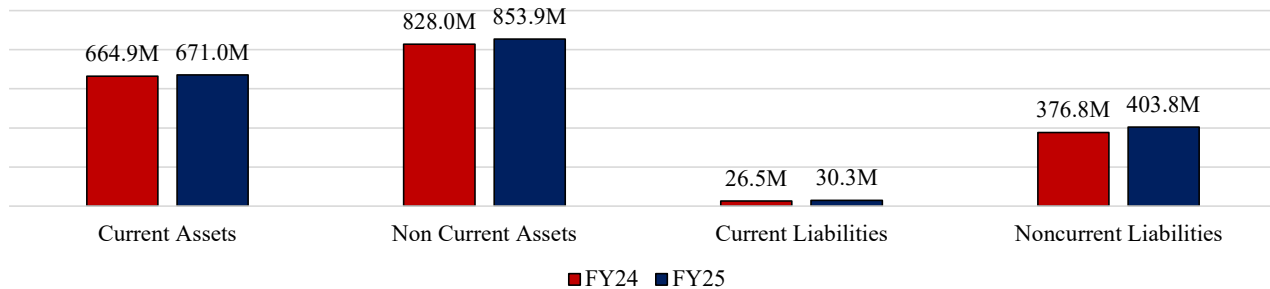


Florida Atlantic University

Quarterly Financial Report

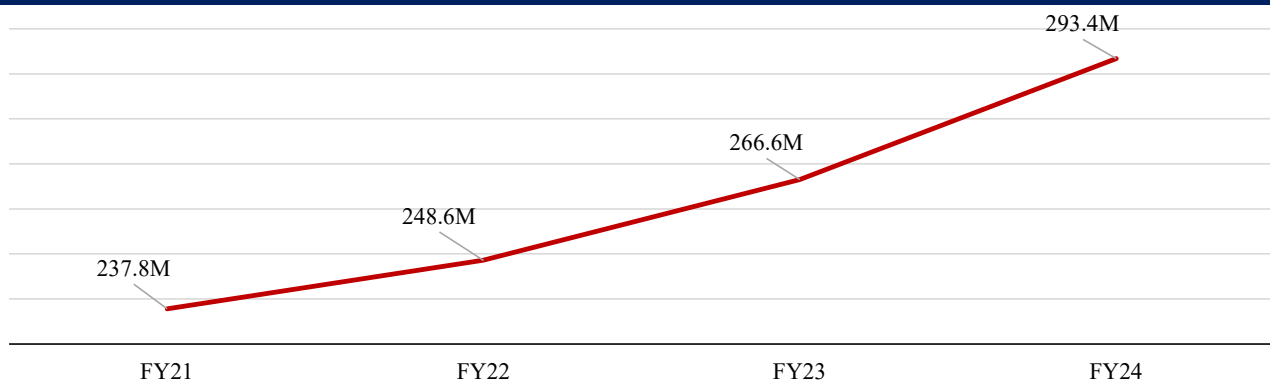
For Six Months Ending 12/31/2024

Balance Sheet Insights



P&L Activity	Through Q2 FY25	Through Q2 FY24	FY25 to FY24 Variance
Operating Revenues			
Student Tuition & Fees, Net of Scholarship Allowances	201,352,916	192,435,288	8,917,628
Grants & Contracts	35,154,501	33,910,071	1,244,430
Sales & Services	78,089,664	64,936,365	13,153,299
Other Operating Revenues	3,840,413	2,155,465	1,684,948
Total Operating Revenues	318,437,494	293,437,189	25,000,305
Operating Expenses			
Compensation & Employee Benefits	(241,214,625)	(221,863,644)	(19,350,981)
Services & Supplies	(67,543,677)	(67,170,995)	(372,682)
Utilities & Communications	(8,177,299)	(7,940,823)	(236,476)
Scholarships, Fellowships & Waivers	(35,053,527)	(29,762,277)	(5,291,250)
Depreciation	(17,795,091)	(16,862,262)	(932,829)
Total Operating Expenses	(369,784,219)	(343,600,001)	(26,184,218)
Operating Income (Loss)	(51,346,725)	(50,162,812)	(1,183,913)
Non Operating Revenues (Expenses)			
State Noncapital Appropriations	102,490,509	104,843,522	(2,353,013)
Federal & State Student Financial Aid	62,833,743	47,303,514	15,530,229
Investment Income (Loss)	11,096,340	4,526,026	6,570,314
Other Non-Operating Revenues	9,162,366	6,586,788	2,575,578
Total Non Operating Revenues (Expenses)	185,582,959	163,259,850	22,323,109
Net Income	134,236,234	113,097,038	21,139,196

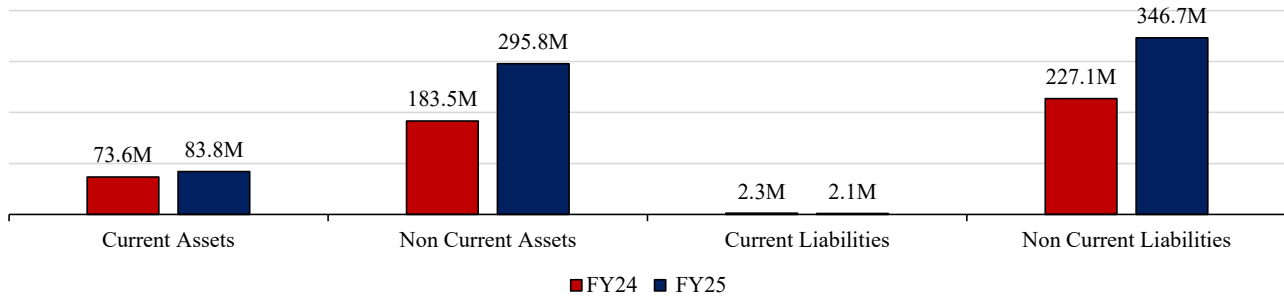
Operating Revenue



FAU Finance Corporation

Quarterly Financial Report
For Six Months Ending 12/31/2024

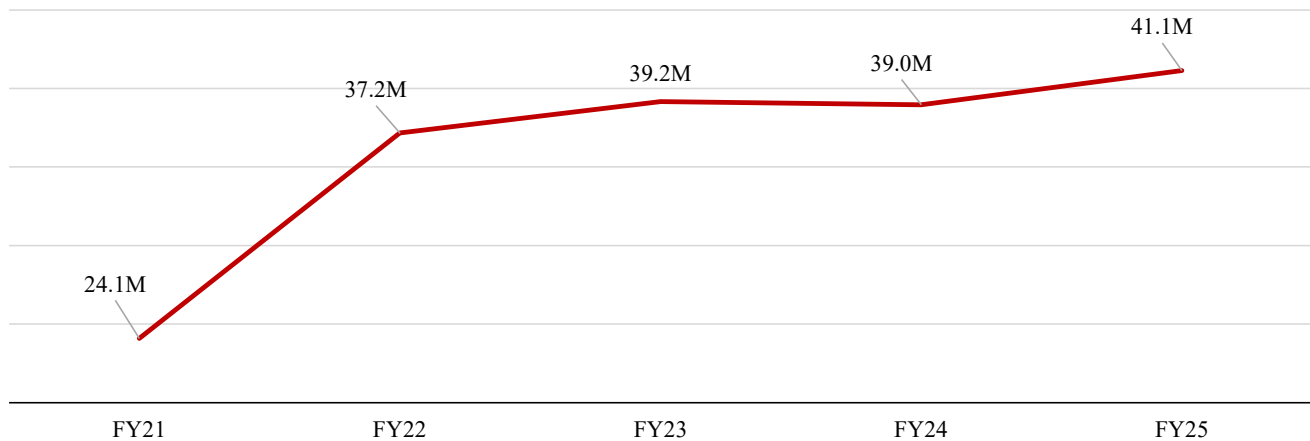
Balance Sheet Insights



P&L Activity

	Through Q2 FY25	Through Q2 FY24	FY25 to FY24 Variance
Operating Revenues			
Housing Operations Revenues	41,144,361	38,966,207	2,178,154
Housing Operations Expenses	(10,781,862)	(8,650,921)	(2,130,941)
Depreciations and Amortization Expense	(4,680,689)	(4,646,213)	(34,475)
Operating Income, Net	<u>25,681,810</u>	<u>25,669,072</u>	<u>12,738</u>
Nonoperating Revenues (Expenses)			
Athletic Revenues	1,236,897	4,625,966	(3,389,069)
Interest Income	983,852	823,825	160,027
Unrealized Gains (Losses)	169,051	1,436,764	(1,267,713)
Contributions to the University, Net	-	-	-
Other Nonoperating Expenses	(175,000)	(175,000)	-
Interest Expense	(4,477,956)	(4,636,619)	158,663
Nonoperating Expenses, Net	<u>(2,263,156)</u>	<u>2,074,936</u>	<u>(4,338,092)</u>
Net Income	<u><u>23,418,654</u></u>	<u><u>27,744,008</u></u>	<u><u>(4,325,354)</u></u>

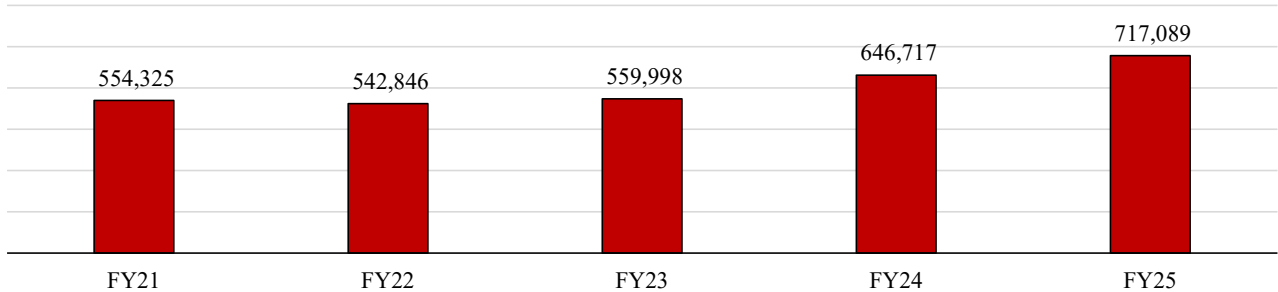
Operating Revenue



FAU Research Corporation

Quarterly Financial Report
For Six Months Ending 12/31/2024

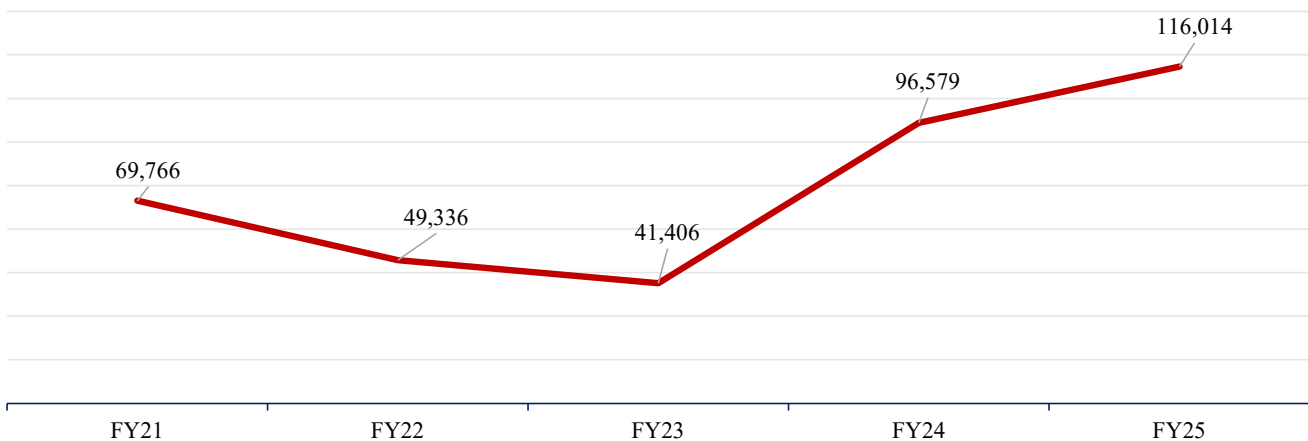
Total Assets



P&L Activity

	Through Q2 FY25	Through Q2 FY24	FY25 to FY24 Variance
Operating Revenues:			
Nongovernmental Grants, Contracts & Other Operating Rev.	44,482	23,817	20,665
Royalties	71,532	72,762	(1,230)
Total Operating Revenues	116,014	96,579	19,435
Operating Expenses:			
Contractual & Program Expenses	(62,160)	(36,874)	(25,286)
Royalty Expenses	(11,631)	(28,681)	17,050
Total Operating Expenses	(73,791)	(65,555)	(8,236)
Net Operating Income	42,223	31,024	11,199
Non-Operating Revenues (Expenses):			
Investment Income	10,466	6,508	3,958
Total Non-Operating Income (Expense)	10,466	6,508	3,958
Net Income (Financial Statement-Accrual)	52,689	37,532	15,157

Operating Revenue

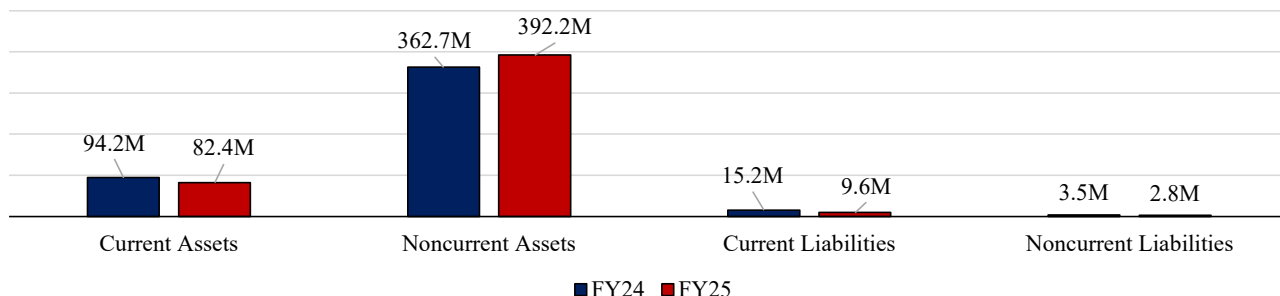


FAU Foundation

Quarterly Financial Report

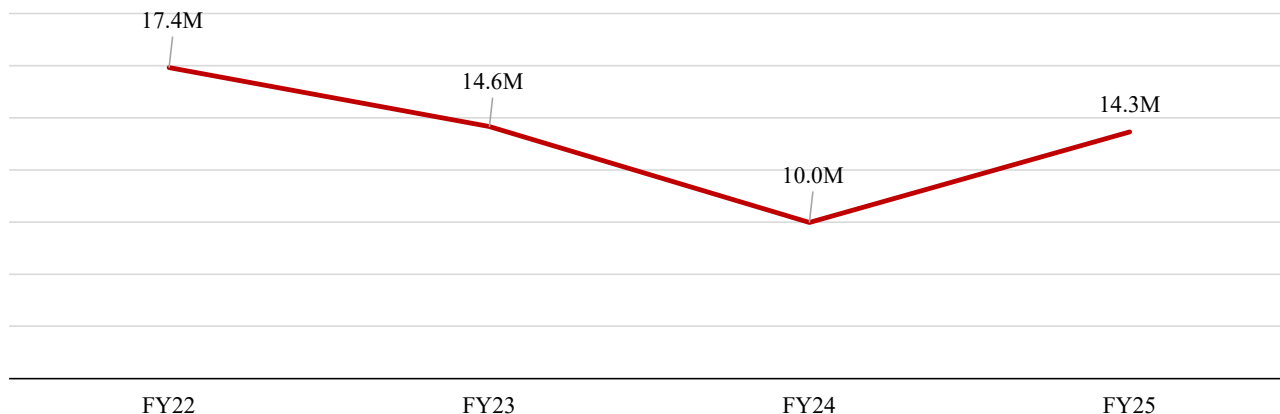
For Six Months Ending 12/31/2024

Balance Sheet Insights



P&L Activity	Through Q2 FY25	Through Q2 FY24	FY25 to FY24 Variance
Source of Funds from Foundation: (Revenues)			
Endowment Management Distribution	6,793,010	6,447,165	345,845
Interest on Expendable Funds	1,750,777	1,313,621	437,156
Gift & Non-Gift Fees & Other Income	94,563	129,426	(34,863)
Total Source of Foundation Funds (Revenues)	8,638,350	7,890,212	748,138
Use of Foundation Funds: (Expenses)			
Operating Expenses	(1,130,150)	(965,791)	(164,359)
Government Relations & University Leadership Support	(180,619)	(151,506)	(29,113)
University Initiatives/Priorities	(2,724,600)	(1,956,098)	(768,502)
Total Use of Foundation Funds (Expenses)	(4,035,369)	(3,073,395)	(961,974)
Source of Funds Over/(Under) Use of Funds	4,602,981	4,816,817	(213,836)

Operating Revenue

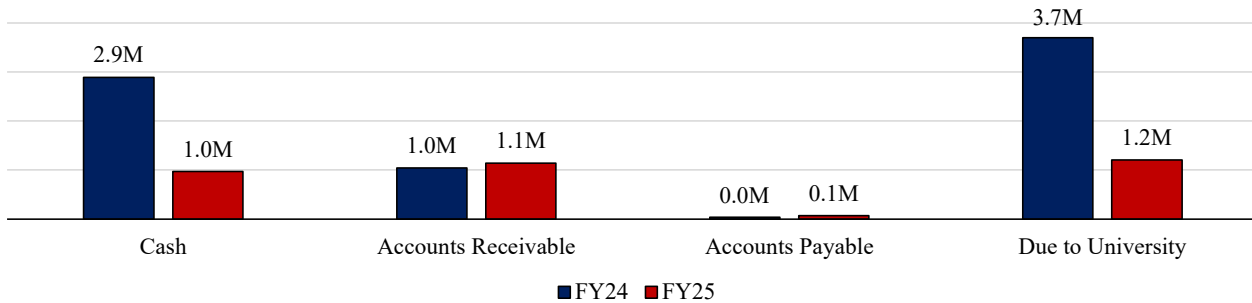


Operating revenue fluctuates due to the timing of donations

FAU Clinical Practice Organization

Quarterly Financial Report
For Six Months Ending 12/31/2024

Balance Sheet Insights



P&L Activity

	Through Q2 FY25	Through Q2 FY24	FY25 to FY24 Variance
Operating Revenues:			
Clinical Services/Patient Care	2,603,989	2,780,802	(176,813)
Operating Expenses:			
Salaries & Benefits	(2,288,278)	(2,466,366)	178,087
EMR/Billing	(43,110)	(60,676)	17,566
Utilities	(22,343)	(37,728)	15,384
Medical, Lab, Patient Supplies	(4,886)	(25,391)	20,506
Examination, Testing, Medical Svcs	(18,413)	(12,433)	(5,980)
Audit Services	(8,000)	(8,675)	675
Practice Consultant	(2,319)	(11,703)	9,384
Software	(2,700)	(1,830)	(870)
Insurance	(6,568)	(6,500)	(68)
Office Supplies	(45)	(3,839)	3,793
Equipment Lease	(1,200)	(3,148)	1,948
Credit Card & Bank Fees	(11,842)	(11,399)	(442)
Other Operating Expenses	(76)	(2,727)	2,651
Total Operating Expenses	(2,409,781)	(2,652,415)	242,634
Net Income	194,208	128,387	65,821

Operating Revenue

