



Item: **BF: A-2b**

Friday, June 27, 2025

**Subject: Request for Approval of the 2025-26 Florida Atlantic University Clinical Practice Organization, Inc. Operating Budget.**

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### **PROPOSED Board ACTION**

Approve the 2025-26 operating budget for FAU Clinical Practice Organization, Inc. (FAU CPO); and authorize the Chairperson of the FAU CPO Board of Directors to amend this budget as appropriate during the fiscal year, consistent with Board of Trustees' directives and guidelines.

### **BACKGROUND INFORMATION**

University Regulation 9.001 and the FAU CPO Bylaws, adopted by the FAU CPO Board of Directors initially on May 18, 2011, and amended on March 23, 2021, require the preparation of an annual budget. The annual budget must be approved by the FAU CPO Board of Directors and submitted to the Board of Trustees for approval.

During the May 9, 2025, FAU CPO Board meeting, this budget was approved.

### **IMPLEMENTATION PLAN/DATE**

July 1, 2025.

### **FISCAL IMPLICATIONS**

N/A.

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**Supporting Documentation:** Proposed 2025-26 FAU CPO Operating Budget

**Presented by:** Dr. Lewis S. Nelson, Dean and Chief of Health Affairs

**Phone:** 561-297-0133



# Florida Atlantic University Clinical Practice Organization



# Florida Atlantic University Clinical Practice Organization

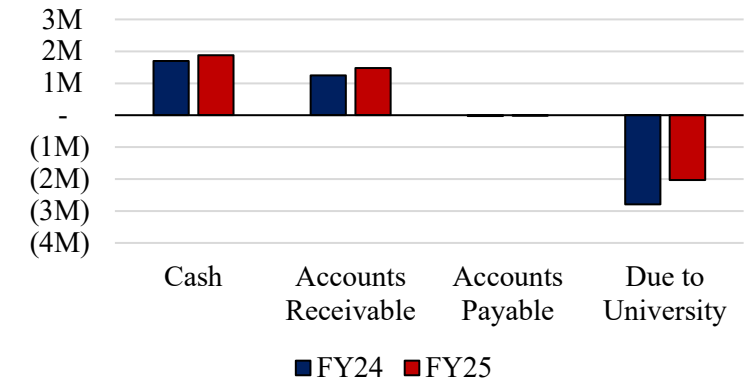
FY2024-2025 Performance Through Quarter 3

P&L Activity	Through Q3 FY2025	Through Q3 FY2024	Variance
<b>Operating Revenues:</b>			
Clinical Services/Patient Care	4,292,892	4,150,008	142,884
<b>Operating Expenses:</b>			
Salaries & Benefits	(3,719,796)	(3,583,570)	(136,226)
EMR/Billing	(93,983)	(60,676)	(33,307)
Utilities	(37,803)	(36,483)	(1,320)
Medical, Lab, Patient Supplies	(6,587)	(25,391)	18,804
Examination, Testing, Medical Svcs	(22,832)	(12,433)	(10,400)
Audit Services	(13,500)	(12,750)	(750)
Practice Consultant	(21,226)	(7,215)	(14,011)
Software	(3,107)	(3,158)	51
Insurance	(6,568)	(6,500)	(68)
Facility Lease	(18,190)	-	(18,190)
Equipment Lease	(402)	(3,148)	2,746
Credit Card & Bank Fees	(17,454)	(16,668)	(786)
Other Operating Expenses	(29,747)	(10,700)	(19,047)
<b>Total Operating Expenses</b>	<b>(3,991,196)</b>	<b>(3,778,692)</b>	<b>(212,504)</b>
<b>Net Income</b>	<b>301,696</b>	<b>371,316</b>	<b>(69,619)</b>

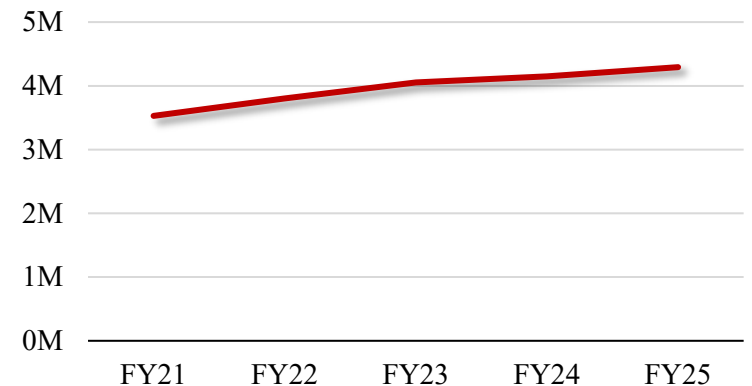
Net income through Quarter 3 FY2025 totals \$318K, a decrease of \$59K compared to FY2024.

- Operating revenues rose by \$143K, driven primarily by higher clinical services and patient care activity.
- Operating expenses increased by \$213K, mainly due to higher salaries and benefits (+\$136K) and billing/consulting services (+\$47K).

Balance Sheet Insights



Operating Revenue





# Florida Atlantic University Clinical Practice Organization

Budget Performance into Proposal	FY2023-2024		FY2024-2025		FY2025-2026	FY2025 Projected
	Approved Budget	Actuals	Approved Budget	Projected Actuals	Proposed Budget	Performance to Budget %
<b>Operating revenues</b>	6,460,517	5,237,714	6,079,596	5,723,856	8,126,184	-5.9%
<b>Operating expenses</b>						
Salaries & Benefits	(6,073,442)	(4,717,464)	(5,812,241)	(5,354,157)	(7,753,479)	-7.9%
EMR/Billing	(127,200)	(68,244)	(92,305)	(125,311)	(107,313)	35.8%
Utilities	(75,200)	(40,425)	(49,340)	(50,405)	(49,615)	2.2%
Medical, Lab, Patient Supplies	(37,859)	(1,898)	(6,363)	(8,783)	(4,730)	38.0%
Examination, Testing, Medical Svcs	(33,000)	(24,600)	(20,000)	(30,443)	(24,276)	52.2%
Audit Services	(17,000)	(17,000)	(16,000)	(16,000)	(16,000)	0.0%
Practice Consultant	(42,000)	(5,247)	(26,570)	(28,302)	(46,094)	6.5%
Rent	0	0	0	(40,273)	(53,000)	N/A
Software	(8,400)	(1,864)	(2,796)	(4,143)	0	48.2%
Insurance	(9,500)	(3,611)	(6,695)	(6,568)	(6,765)	-1.9%
Office Supplies	(7,889)	(4,360)	0	0	(4,399)	N/A
Equipment Lease	(8,400)	(3,940)	(4,164)	(536)	(4,750)	-87.1%
Credit Card & Bank Fees	(12,900)	(17,635)	(14,900)	(23,272)	(14,280)	56.2%
Other Operating Expenses	(7,727)	(8,027)	(28,222)	(35,663)	(41,483)	26.4%
<b>Total operating expenses</b>	<b>(6,460,517)</b>	<b>(4,914,315)</b>	<b>(6,079,596)</b>	<b>(5,723,856)</b>	<b>(8,126,184)</b>	<b>-5.9%</b>
<b>Net operating income</b>	<b>-</b>	<b>323,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>

The FY2026 budget rises to \$8.1M (+\$2.0M) driven by a new \$926K TeamHealth contract, \$692K in growth across three sites, and \$268K from increased clinical hours and salaries. Expenses rise with revenue to maintain breakeven.



# Florida Atlantic University Clinical Practice Organization

Fiscal Year July 1, 2025 – June 30, 2026, Proposed Operating Budget

FAU Clinical Practice Organization	FY2025-2026			
	Nursing	Medicine	Education	Total
<b>Operating revenues</b>	1,457,600	6,622,584	46,000	8,126,184
<b>Operating expenses</b>				
Salaries & Benefits	(1,105,095)	(6,605,284)	(43,100)	(7,753,479)
EMR/Billing	(107,311)	-	-	(107,311)
Utilities	(49,615)	-	-	(49,615)
Medical, Lab, Patient Supplies	(4,730)	-	-	(4,730)
Examination, Testing, Medical Svcs	(24,276)	-	-	(24,276)
Audit Services	(6,000)	(8,000)	(2,000)	(16,000)
Practice Consultant	(46,094)	-	-	(46,094)
Rent	(53,000)	-	-	(53,000)
Insurance	(6,765)	-	-	(6,765)
Office Supplies	(4,399)	-	-	(4,399)
Equipment Lease	(4,750)	-	-	(4,750)
Credit Card & Bank Fees	(4,080)	(9,300)	(900)	(14,280)
Other Operating Expenses	(41,485)			(41,485)
<b>Total operating expenses</b>	<b>(1,457,600)</b>	<b>(6,622,584)</b>	<b>(46,000)</b>	<b>(8,126,184)</b>
<b>Net operating income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>