



FLORIDA ATLANTIC UNIVERSITY

Board of Trustees

Item: **BF: A-1**

Budget and Finance Committee

Tuesday, February 17, 2026

SUBJECT: Request Approval of the Fiscal year 2026-27 FAU Finance Corporation Budget

PROPOSED COMMITTEE ACTION

Approval of the Florida Atlantic Finance Corporation 2026-2027 Budget to the Board of Trustees (BOT). Delegate to the University President the authority to amend these budgets as appropriate during the fiscal year, consistent with Legislative, Board of Governors, and Board of Trustees directives and guidelines.

BACKGROUND INFORMATION

The University President is required to prepare an annual budget for approval by the BOT. Authority for the University President to amend the budget is necessary to accommodate changes. Without the need for the Board of Trustees to approve each time any modifications are made.

IMPLEMENTATION PLAN/DATE

July 1, 2026

FISCAL IMPLICATIONS

N/A

Supporting Documentation: Approval of the Fiscal Year 2026-27 FAU Finance Corporation Budget

Presented by: Jayson Iroff, VP for Financial Affairs & Chief Financial Officer

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FLORIDA ATLANTIC UNIVERSITY



FAU Finance Corporation Fiscal Year 2026-2027 Budget

Presented By: Jayson Iroff, Executive Director



FAU Finance Corporation Flow of Funds

Revenues

- General housing revenues such as resident fees, application fees, space rentals, and cancellation fees
- A portion of athletics revenues is pledged to the support of the 2017 stadium bond debt service
- The system generates additional interest revenue based on variable market cash rates

Expenses

- Operating expenses such as salaries and benefits, routine maintenance, utilities, and admin. expenses
- Nonoperating activity such as capital projects and additional university scholarship support
- Bond indenture requirements such as the R&R fund balance requirement fulfillment

DBF Debt Obligations

Operating income is first pledged to DBF debt obligations

FAUFC Debt Obligations

After DBF debt obligations are satisfied, the remaining net operating income is pledged to FAUFC debt service

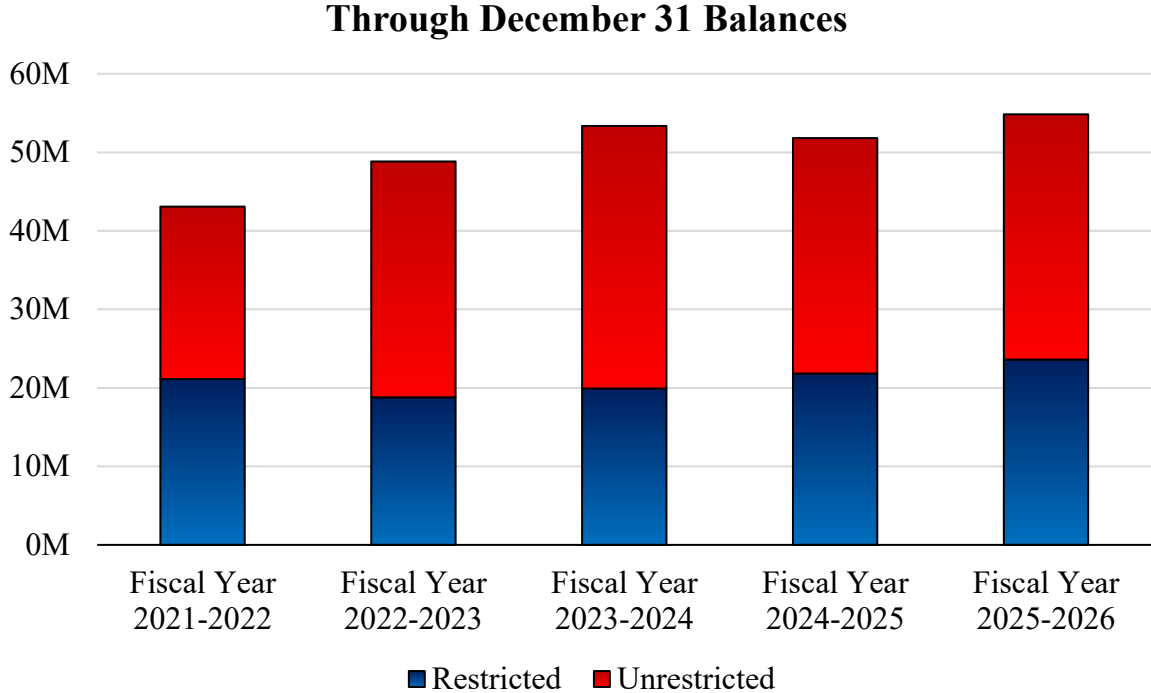
Net Operating Income

The net operating income represents surplus revenues over expenses throughout the duration of the fiscal year



FAUFC Balances

Through December 31 Balances	Restricted	Unrestricted	Total
Fiscal Year 2021-2022	21,118,445	21,965,178	43,083,623
Fiscal Year 2022-2023	18,794,816	30,034,803	48,829,619
Fiscal Year 2023-2024	19,916,755	33,438,605	53,355,360
Fiscal Year 2024-2025	21,824,664	29,986,578	51,811,242
Fiscal Year 2025-2026	23,603,498	31,230,338	54,833,836



Despite higher cash outflows related to Housing Facilities Improvement Planning (HFIP), our cash and investments remain well-positioned relative to historical End of Half 1 balances.

1. Balances exclude construction funds & Capitalized Interest Funds related to Talon Hall



FAUFC Performance, First Half

Fiscal Year 2025-2026

Fiscal Year 2025-2026 Projection	Through December 31 Actuals	Full Year Projection	Approved Budget	Progress to Budget %	Projected Variance Against Budget %
Operating revenues:					
Housing revenues	45,317,093	47,830,053	47,630,213	95.1%	100.4%
Less: DBF debt service	0	4,317,800	4,317,800	0.0%	100.0%
Total operating revenues, net	45,317,093	43,512,253	43,312,413	104.6%	0.5%
Operating expenses:					
Salaries and benefits	3,046,243	6,092,486	6,234,693	48.9%	97.7%
Police salary expense	600,000	1,200,000	1,200,000	50.0%	100.0%
Salaries (OPS)	1,058,217	2,116,434	2,140,000	49.4%	98.9%
Utilities	1,415,159	2,830,318	2,724,212	51.9%	103.9%
Repairs and maintenance	1,997,264	3,994,528	3,618,594	55.2%	110.4%
Other operating expenses	2,146,380	4,938,736	6,432,971	33.4%	76.8%
Total operating expenses	10,263,263	21,172,502	22,350,470	45.9%	94.7%
Operating income, net	35,053,830	22,339,751	20,961,943	167.2%	106.6%
Nonoperating revenues (expenses):					
Athletics revenues	5,133,895	6,096,850	6,361,617	80.7%	95.8%
Less: Transfer to athletics	0	3,437,075	3,701,842	0.0%	92.8%
Athletics revenues, net	5,133,895	2,659,775	2,659,775	193.0%	100.0%
Interest income	3,665,620	6,290,025	1,891,125	193.8%	332.6%
Contributions to the University	0	(320,000)	(320,000)	0.0%	100.0%
Other nonoperating expenses	(175,000)	(350,000)	(350,000)	50.0%	100.0%
Interest expense	0	(14,156,569)	(14,156,569)	0.0%	100.0%
Nonoperating revenues (expenses), net	8,624,515	(5,876,769)	(10,275,669)	-83.9%	57.2%
Change in net position (before non-cash adjustments)	43,678,345	16,462,982	10,686,274	408.7%	154.1%
Non-cash adjustments and accounting entries (expenses):					
Unrealized gains/(losses)	(506,669)	0			
Depreciation expense	(4,625,791)	(9,231,969)			
Amortization premium & deferred outflows		862,535			
Lease Fee		(216,559)			
Change in net position (after non-cash adjustments)		7,876,989			
Balance sheet allocations:					
Capital projects	635,041	4,563,572	7,020,880	9.0%	65.0%
Renewal & replacement	561,346	1,182,692	1,182,692	47.5%	100.0%
Remaining principal payments	7,610,000	7,610,000	7,610,000	100.0%	100.0%

Analysis:

- Housing revenue** is projected at \$47.83M vs \$47.63M budget (100.4%), reflecting projected near full occupancy.
- Total operating expenses** are projected at \$21.17M vs \$22.35M budget (94.7%), with payroll lines projected to stay near plan.
- Repairs & maintenance** is projected at \$3.995M vs \$3.619M budget (110.4%), will monitor closer as we near summer.
- Other operating expenses** are projected at \$4.94M vs \$6.43M budget (76.8%); This line includes service contracts, residential life, administrative/overhead, and misc. items that can pick up later in the fiscal year;
- Athletics revenues:** ticketing projects ticket revenue to come in approximately \$0.1–\$0.2M below last year, which drives the projected miss to the athletics revenue budget
- Capital projects** are projected at \$4.56M vs \$7.02M budget (65.0%), reflecting current pacing and consideration of HFIP plan.
- Interest income** is projected at \$6.29M vs \$1.89M (332.6%) driven by the Talon Hall construction balance, higher short rates, and SBA yield; the original budget is understated because, during budget development, the construction funds were not yet secured and therefore were not modeled.

Bottom line: Net operating income is projected at \$22.34M vs \$20.96M budget (106.6%), and change in net position (before non-cash adjustments) is projected at \$16.46M vs \$10.69M budget (154.1%).

Budget Performance Leading to Fiscal Year 2026-2027	Fiscal Year 2024-2025		Fiscal Year 2025-2026		Fiscal Year 2026-2027
	Budget	Actuals	Budget	Projected	Budget
Budget					
Operating revenues:					
Housing revenues	46,159,341	45,706,000	47,630,213	47,830,053	57,052,093
Less: DBF debt service	4,320,550	4,320,550	4,317,800	4,317,800	4,318,050
Total operating revenues, net	41,838,791	41,385,450	43,312,413	43,512,253	52,734,043
Operating expenses:					
Salaries and benefits	6,051,734	6,017,073	6,234,693	6,092,486	7,640,168
Police salary expense	1,200,000	1,205,812	1,200,000	1,200,000	1,200,000
Salaries (OPS)	2,196,796	1,858,405	2,140,000	2,116,434	2,515,143
Utilities	3,055,899	2,754,919	2,724,212	2,830,318	3,607,714
Repairs and maintenance	1,193,750	5,837,482	3,618,594	3,994,528	5,549,817
Other operating expenses	7,956,514	5,695,408	6,432,971	4,938,736	6,432,145
Total operating expenses	21,654,693	23,369,099	22,350,470	21,172,502	26,944,987
Operating income, net	20,184,098	18,016,351	20,961,943	22,339,751	25,789,056
Nonoperating revenues (expenses):					
Athletics revenues	5,256,487	4,952,207	6,361,617	6,096,850	6,052,966
Less: Transfer to athletics	2,895,968	2,948,530	3,701,842	3,437,075	3,415,804
Athletics revenues, net	2,360,519	2,003,677	2,659,775	2,659,775	2,637,162
Interest income	1,063,731	4,087,968	1,891,125	6,290,025	3,379,161
Contributions to the University	(320,000)	(454,400)	(320,000)	(320,000)	(320,000)
Other nonoperating expenses	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Interest expense	(8,792,042)	(11,761,550)	(14,156,569)	(14,156,569)	(13,795,112)
Nonoperating revenues (expenses), net	(6,037,792)	(6,474,305)	(10,275,669)	(5,876,769)	(8,448,789)
Change in net position (before non-cash adjustments)	14,146,306	11,542,046	10,686,274	16,462,982	17,340,267
Non-cash adjustments and accounting entries:					
Unrealized gains/(losses)		675,720		0	
Depreciation expense		(9,341,532)		(9,231,969)	
Amortization premium & deferred outflows		862,535		862,535	
Lease Fee		(368,679)		(216,559)	
Change in net position (after non-cash adjustments)		3,370,090		7,876,989	
Balance sheet allocations:					
Capital projects	5,538,552	5,581,410	7,020,880	4,563,572	14,919,850
Renewal & replacement	1,148,244	1,148,244	1,182,692	1,182,692	1,424,597
Remaining principal payments	7,610,000	7,610,000	7,950,000	7,950,000	7,980,000

Analysis:

- Fiscal Year 2024–2025 actual performance** results in \$3.37M change in net position after non-cash adjustments, establishing the baseline leading into the Fiscal Year 2026–2027 budget cycle.
- Fiscal Year 2025–2026 projects** to strengthen to \$7.88M change in net position after non-cash adjustments (and \$16.46M before non-cash), improving capacity ahead of Fiscal Year 2026–2027 as Talon Hall comes online.
- The improvement versus Fiscal Year 2024–2025** is driven primarily by higher projected net operating income on near-full occupancy and housing revenue growth, combined with operating expenses pacing below prior-year actuals (with repairs & maintenance running higher but offset by lower other operating expenses), and a meaningful step-up in interest income.

Bottom line: Fiscal Year 2026–2027 budgets as the Talon Hall transition year and the final year of the 5% housing revenue increase, with housing revenues budgeted at \$57.05M, net operating income budgeted at \$25.79M, and change in net position (before non-cash) budgeted at \$17.34M, while the key planning signal is the step-up in uses—capital projects budgeted at \$14.92M (plus \$1.42M renewal & replacement and \$7.98M principal).



FAUFC Fiscal Year 2026-2027 Budget

Year-Over-Year Budget Comparison	Fiscal Year 2025-2026 Budget	Fiscal Year 2026-2027 Budget	Budget Change in Dollars	Budget Change in Percent
Operating revenues:				
Housing revenues	47,630,213	57,052,093	9,421,880	19.8%
Less: DBF debt service	4,317,800	4,318,050	250	0.0%
Total operating revenues, net	43,312,413	52,734,043	9,421,630	21.8%
Operating expenses:				
Salaries and benefits	6,234,693	7,640,168	1,405,475	22.5%
Police salary expense	1,200,000	1,200,000	0	0.0%
Salaries (OPS)	2,140,000	2,515,143	375,143	17.5%
Utilities	2,724,212	3,607,714	883,502	32.4%
Repairs and maintenance	3,618,594	5,549,817	1,931,223	53.4%
Other operating expenses	6,432,971	6,432,145	(826)	0.0%
Total operating expenses	22,350,470	26,944,987	4,594,517	20.6%
Operating income, net	20,961,943	25,789,056	4,827,113	23.0%
Nonoperating revenues (expenses):				
Athletics revenues	6,361,617	6,052,966	(308,651)	-4.9%
Less: Transfer to athletics	3,701,842	3,415,804	(286,038)	-7.7%
Athletics revenues, net	2,659,775	2,637,162	(22,613)	-0.9%
Interest income	1,891,125	3,379,161	1,488,036	78.7%
Contributions to the University	(320,000)	(320,000)	0	0.0%
Other nonoperating expenses	(350,000)	(350,000)	0	0.0%
Interest expense	(14,156,569)	(13,795,112)	361,458	-2.6%
Nonoperating revenues (expenses), net	(10,275,669)	(8,448,789)	1,826,880	-17.8%
Change in net position (before non-cash adjustments)	10,686,274	17,340,267	6,653,993	62.3%
Non-cash adjustments and accounting entries:				
Unrealized gains/(losses)				
Depreciation expense				
Amortization premium & deferred outflows				
Lease Fee				
Change in net position (after non-cash adjustments)				
Balance sheet allocations:				
Capital projects	7,020,880	14,919,850	7,898,970	112.5%
Renewal & replacement	1,182,692	1,424,597	241,905	20.5%
Remaining principal payments	7,950,000	7,980,000	30,000	0.4%



Budget Change Analysis

Fiscal Year 2025-2026 to Fiscal Year 2026-2027

Operating results (Operating income +\$4.83M / +23.0%)

- **Housing revenues +\$9.42M (+19.8%):** this is two drivers stacked — final year of the 5% rent increase on the existing portfolio + Talon Hall online (674 revenue beds) adding \$7.13M of new revenue. Occupancy planning assumes 98% fall / 97% spring, with summer assumptions nudged up (Summer 3) based on current enrollment planning. Total operating revenues, net +\$9.42M (+21.8%), given DBF debt essentially flat.
- **Salaries & benefits +\$1.41M (+22.5%):** this includes both new Talon staffing and base escalations on existing roles. Additionally, separate salary increases and overtime budget is consolidated into this line as it was recorded separately in prior fiscal years, this totals to 431K.
- **OPS +\$0.38M (+17.5%):** biggest driver is operating coverage tied to the larger footprint relating to Talon Hall (front desk, community assistants, move-in support, temp coverage, etc.).
- **Utilities +\$0.88M (+32.4%):** direct impact of Talon Hall utilities and the expanded footprint. Fiscal year 2026-27 is also the central energy plant tie-in year for Talon / UVA / PAR—this is the line we monitor tightly because the model assumes we manage through the transition and capture expected savings over time.
- **Repairs & maintenance +\$1.93M (+53.4%):** This line increases because we budget more conservatively for items that often run through the P&L rather than capitalize. We start with the routine R&M budget (~\$1.8M), then apply an expensing overlay by taking ~20% of the FY2027 capital budget ask (~\$18.6M) (~\$3.7M) and layering it into R&M to capture historically expensed project components. Accordingly, the Capital Projects line reflects the net capitalized plan of ~\$14.92M (gross ~\$18.6M less ~\$3.7M expensed through the R&M overlay). This approach protects net income planning—especially because larger initiatives (e.g., Wi-Fi upgrades) typically include rolling expense items across fiscal years (services, installs, and other non-capitalizable costs).
- **Other operating expenses ~flat (-\$826 / ~0.0%):** there is a slight increase tied to Talon Hall in this category, but it is fully offset by slower growth/holds in other components such as service contracts/technology, residential life, and bad debt, resulting in an essentially flat total year-over-year.



Budget Change Analysis

Fiscal Year 2025-2026 to Fiscal Year 2026-2027

Nonoperating items (Net improves +\$1.8M)

- **Athletics revenues (budgeted -4.9% YoY):** Total pledged athletics revenues budget at \$6.053M in FY2027 versus \$6.362M in FY2026 (down ~\$0.309M). The driver is Non-Conference Guarantee, which steps down \$450k (\$1.65M → \$1.20M, -27.3%). Nearly every other operating line applies a ~3% uplift (fees, sponsorship, tickets, parking, concessions, premium seating, rentals, etc.), but those increases do not offset the guarantee reduction.
 - **Budgeted obligation coverage:** Even with the guarantee step-down, pledged athletics revenues still project to cover the combined obligations (stadium debt service + R&R support) with coverage remaining above 2.0x in FY2026–2027.
- **Interest income +\$1.49M (+78.7%):** Fiscal year 2026-2027 interest income is budgeted at \$3.379M, built from \$1.475M of Talon Hall construction-balance interest plus \$1.904M of “other funds” interest, using a conservative short-term futures-based yield path consistent with our exposure to SBA Florida PRIME and other short-term investments.
- **Interest expense improves +\$0.36M (-2.6%):** slight improvement tied to debt schedule timing, while fiscal year 2026-2027 represents the first year Talon Hall transitions into full amortization with both principal and interest payments budgeted.
- **University contribution & other nonoperating:** held flat to obligation assumptions.



Budget Change Analysis

Fiscal Year 2025-2026 to Fiscal Year 2026-2027

Bottom line + uses of cash

- **Change in net position (before non-cash) +\$6.65M (+62.3%):** Bottom line expands as operating income increases +\$4.83M (+23.0%) and nonoperating improves +\$1.83M (less negative). Net position margin (before non-cash) improves from ~24.7% (FY2025–2026) to ~32.9% (FY2026–2027) of net operating revenues (i.e., total operating revenues, net), creating added capacity to fund the FY2026–2027 facilities program alongside Talon Hall going live.
- **Capital projects +\$7.90M (+112.5%):** Fiscal Year 2026–2027 capital projects are budgeted at ~\$14.92M vs ~\$7.0M in Fiscal Year 2025–2026, reflecting the updated five-year facilities improvement plan. The FY2027 plan is driven primarily by building mechanical/electrical work, unit interior refreshes, and a meaningful step-up in technology (accelerated Wi-Fi). Specific FY2027 additions include \$5.0M at Glades Park Towers for the central energy plant upgrade, \$2.0M at Atlantic Park Towers for lift station upgrade/relocation, and \$2.34M of technology to fund accelerated Wi-Fi upgrades.
- **Renewal & replacement +\$0.24M (+20.5%):** renewal allocation increases to \$1.42M in Fiscal Year 2026–2027 (from \$1.18M in Fiscal Year 2025–2026). These funds are set aside for bond covenant compliance and can be accessed to support eligible renewal needs, including repairs and maintenance and Housing Facilities Improvement Plan (HFIP).
- **Remaining principal payments ~flat (+\$0.03M / +0.4%):** \$7.98M in Fiscal Year 2026–2027 vs \$7.95M in Fiscal Year 2025–2026, matching the principal schedule and maintaining steady amortization.

FAU Finance Corporation Fiscal Year 2026-2027 Budget Request

Operating revenues:	
Housing revenues	57,052,093
Less: DBF debt service	4,318,050
Total operating revenues, net	52,734,043
Operating expenses:	
Salaries and benefits	7,640,168
Police salary expense	1,200,000
Salaries (OPS)	2,515,143
Utilities	3,607,714
Repairs and maintenance	5,549,817
Other operating expenses	6,432,145
Total operating expenses	26,944,987
Operating income, net	25,789,056
Nonoperating revenues (expenses):	
Athletics revenues	6,052,966
Less: Transfer to athletics	3,415,804
Athletics revenues, net	2,637,162
Interest income	3,379,161
Contributions to the University	(320,000)
Other nonoperating expenses	(350,000)
Interest expense	(13,795,112)
Nonoperating revenues (expenses), net	(8,448,789)
Change in net position (before non-cash adjustments)	17,340,267
Non-cash adjustments and accounting entries:	
Unrealized gains/(losses)	
Depreciation expense	
Amortization premium & deferred outflows	
Lease Fee	
Change in net position (after non-cash adjustments)	
Balance sheet allocations:	
Capital projects	14,919,850
Renewal & replacement	1,424,597
Remaining principal payments	7,980,000

FAUFC Outstanding Debt

Outstanding debt is displayed as it will be satisfied by fiscal year

DBF Debt (Senior, on FAU Balance Sheet)						FAUFC Debt (Subordinate to DBF Debt, on FAUFC Balance Sheet)							Total Debt Service
Fiscal Year	2016A (Glades Park Tower)	2016A (Heritage Park Towers)	2016A** (Indian River Towers)	2016A (University Village)	DBF Debt Total	Series 2024 (Talon Hall)	Series 2012B (Innovation Village)	Series 2019A (Innovation Village)	Series 2019B (APT & RH3)	Series 2022A (Parliament Refi)	2017 (Stadium)	Total FAUFC Housing Debt	
FY25	1,616,150	723,150	1,488,000	493,250	4,320,550	3,140,000	306,832	7,044,050	4,289,700	2,275,450	2,315,519	19,371,551	23,692,100
FY26	1,613,900	723,150	1,487,500	493,250	4,317,800	5,887,500	305,000	7,033,800	4,283,950	2,276,950	2,319,369	22,106,569	26,424,369
FY27	1,614,400	721,961	1,489,250	492,439	4,318,050	5,887,500	0	7,015,050	4,279,700	2,275,700	2,317,162	21,775,112	26,093,162
FY28	1,612,400	719,583	1,493,000	490,817	4,315,800	7,801,750	0	6,997,300	4,276,700	2,276,450	2,315,755	23,667,955	27,983,755
FY29	1,612,900	721,961	1,488,500	492,439	4,315,800	7,796,000	0	6,984,800	4,274,700	2,274,200	2,309,571	23,639,271	27,955,071
FY30	1,615,650	722,853	1,491,000	493,047	4,322,550	7,794,750	0	6,967,300	4,268,700	2,273,700	2,313,923	23,618,373	27,940,923
FY31	1,610,400	722,258	0	492,642	2,825,300	7,788,000	0	6,949,300	4,263,450	2,269,950	2,312,084	23,582,784	26,408,084
FY32	1,612,400	723,150	0	493,250	2,828,800	7,780,500	0	6,930,300	4,258,700	2,267,700	2,310,408	23,547,608	26,376,408
FY33	1,614,400	717,205	0	489,195	2,820,800	7,776,750	0	6,909,800	4,254,200	2,266,700	2,309,702	23,517,152	26,337,952
FY34	1,614,200	0	0	0	1,614,200	7,766,750	0	6,887,300	4,249,700	2,266,700	2,309,027	23,479,477	25,093,677
FY35	1,616,800	0	0	0	1,616,800	7,760,000	0	6,867,050	4,244,950	2,267,450	2,307,028	23,446,478	25,063,278
FY36	1,612,000	0	0	0	1,612,000	7,756,000	0	6,848,300	4,262,750	2,259,200	2,304,497	23,430,747	25,042,747
FY37	0	0	0	0	0	7,749,500	0	6,820,800	4,261,750	2,275,000	2,303,929	23,410,979	23,410,979
FY38	0	0	0	0	0	7,740,250	0	6,862,000	4,256,950	2,272,800	2,302,696	23,434,696	23,434,696
FY39	0	0	0	0	0	7,732,750	0	6,772,750	4,253,150	2,277,200	2,300,007	23,335,857	23,335,857
FY40	0	0	0	0	0	7,721,750	0	3,755,000	4,245,350	2,278,200	2,300,898	20,301,198	20,301,198
FY41	0	0	0	0	0	7,711,750	0	0	4,243,150	2,275,800	2,295,000	16,525,700	16,525,700
FY42	0	0	0	0	0	7,702,250	0	0	4,236,550	2,270,000	0	14,208,800	14,208,800
FY43	0	0	0	0	0	7,692,750	0	0	4,235,150	0	0	11,927,900	11,927,900
FY44	0	0	0	0	0	7,682,750	0	0	4,228,950	0	0	11,911,700	11,911,700
FY45	0	0	0	0	0	7,671,750	0	0	4,222,750	0	0	11,894,500	11,894,500
FY46	0	0	0	0	0	7,659,250	0	0	4,182,250	0	0	11,841,500	11,841,500
FY47	0	0	0	0	0	7,649,500	0	0	4,178,000	0	0	11,827,500	11,827,500
FY48	0	0	0	0	0	7,637,000	0	0	4,165,000	0	0	11,802,000	11,802,000
FY49	0	0	0	0	0	7,621,250	0	0	4,157,500	0	0	11,778,750	11,778,750
FY50	0	0	0	0	0	7,611,250	0	0	4,150,000	0	0	11,761,250	11,761,250
FY51	0	0	0	0	0	7,596,500	0	0	0	0	0	7,596,500	7,596,500
FY52	0	0	0	0	0	7,576,500	0	0	0	0	0	7,576,500	7,576,500
FY53	0	0	0	0	0	7,565,000	0	0	0	0	0	7,565,000	7,565,000
FY54	0	0	0	0	0	7,546,500	0	0	0	0	0	7,546,500	7,546,500
FY55	0	0	0	0	0	7,530,000	0	0	0	0	0	7,530,000	7,530,000
Total	19,365,600	6,495,269	8,937,250	4,430,331	39,228,450	230,333,750	611,832	107,644,900	110,223,700	40,899,150	39,246,574	528,959,906	568,188,356



Appendix

Year-Over-Year Budget Comparison (Ex Talon Hall Look)

	Fiscal Year 2025-2026 Budget	Fiscal Year 2026-2027 Budget (Ex Talon)	Fiscal Year 2026-2027 Budget
Operating revenues:			
Housing revenues	47,630,213	49,924,605	57,052,093
Less: DBF debt service	4,317,800	4,318,050	4,318,050
Total operating revenues, net	43,312,413	45,606,555	52,734,043
Operating expenses:			
Salaries and benefits	6,234,693	7,119,578	7,640,168
Police salary expense	1,200,000	1,200,000	1,200,000
Salaries (OPS)	2,140,000	2,249,860	2,515,143
Utilities	2,724,212	3,146,465	3,607,714
Repairs and maintenance	3,618,594	5,369,955	5,549,817
Other operating expenses	6,432,971	6,089,315	6,432,145
Total operating expenses	22,350,470	25,175,173	26,944,987
Operating income, net	20,961,943	20,431,382	25,789,056
Nonoperating revenues (expenses):			
Athletics revenues	6,361,617	6,052,966	6,052,966
Less: Transfer to athletics	3,701,842	3,415,804	3,415,804
Athletics revenues, net	2,659,775	2,637,162	2,637,162
Interest income	1,891,125	3,379,161	3,379,161
Contributions to the University	(320,000)	(320,000)	(320,000)
Other nonoperating expenses	(350,000)	(350,000)	(350,000)
Interest expense	(14,156,569)	(7,907,612)	(13,795,112)
Nonoperating revenues (expenses), net	(10,275,669)	(2,561,289)	(8,448,789)
Change in net position (before non-cash adjustments)	10,686,274	17,870,093	17,340,267
Non-cash adjustments and accounting entries:			
Unrealized gains/(losses)			
Depreciation expense			
Amortization premium & deferred outflows			
Lease Fee			
Balance sheet allocations:			
Capital projects	7,020,880	14,919,850	14,919,850
Renewal & replacement	1,182,692	1,424,597	1,232,417
Remaining principal payments	7,950,000	7,980,000	7,980,000

Analysis:

- Fiscal Year 2026–2027 (Ex Talon)** shows \$45.61M net operating revenues, \$25.18M operating expenses, and \$20.43M net operating income, with change in net position (before non-cash) of \$17.87M driven largely by lower interest expense.
- Including Talon** increases net operating revenues by +\$7.13M and operating expenses by +\$1.77M, lifting net operating income by +\$5.36M to \$25.79M.
- That incremental operating margin** is essentially consumed by the Talon-related interest step-up of about \$5.89M, so change in net position (before non-cash) is slightly lower with Talon (\$17.34M) than Ex Talon (\$17.87M).

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY : Florida Atlantic University

BOND TITLE : Florida Atlantic University Housing Revenue Bonds, 2016A

AUXILIARY FACILITY (IES) : Students Apartments Complex (Division of Bond Finance)

		2024-25 Actual	2025-26 Estimated	2026-27 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	22,685,324	20,678,002	21,097,387
	Investments	0	0	0
	Subtotal:	22,685,324	20,678,002	21,097,387
	B. Replacement Reserve Forward:			
	Debt Service Reserve	3,083,675	3,083,675	3,083,675
	Maintenance & Equipment Reserve	1,714,235	2,163,235	2,625,705
	General Reserve	0	0	0
	Subtotal:	4,797,910	5,246,910	5,709,380
	TOTAL CARRIED FORWARD (A +B):	27,483,234	25,924,912	26,806,767
2.	CURRENT YEAR REVENUE / INFLOWS			
	* Revenue	17,596,535	18,049,474	19,918,920
	Interest Income	0	0	0
	Other Income / Inflows	0	0	0
	TOTAL CURRENT YEAR REVENUE:	17,596,535	18,049,474	19,918,920
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	45,079,769	43,974,386	46,725,686
4.	CURRENT YEAR EXPENDITURES / OUTFLOWS			
	Salaries and Matching	1,595,553	1,615,339	1,783,644
	Other Personal Services	822,585	908,676	1,012,172
	Operating Expense	3,570,448	1,585,198	3,903,937
	Repairs and Maintenance	3,264,311	3,412,808	2,091,885
	Debt Service	4,320,550	4,317,800	4,318,050
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	5,581,410	5,327,800	11,175,000
	Other Outflows & Transfers Out	0	0	0
	TOTAL EXPENDITURES:	19,154,857	17,167,620	24,284,688
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	449,000	462,470	494,379
	General Reserve	0	0	0
	Subtotal:	449,000	462,470	494,379
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Subtotal:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	3,083,675	3,083,675	3,083,675
	Maintenance & Equipment Reserve	2,163,235	2,625,705	3,120,084
	General Reserve	0	0	0
	Interest Earned on Reserve Balances	0	0	0
	Subtotal:	5,246,910	5,709,380	6,203,759
8.	ENDING OPERATING CASH (1A +2 -4 -5)	20,678,002	21,097,387	16,237,239
9.	SUMMARY OF ENDING REVENUES (7 +8)	25,924,912	26,806,767	22,440,998

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY : Florida Atlantic University

BOND TITLE : Florida Atlantic University Housing Revenue Bonds, 2016A

AUXILIARY FACILITY (IES) : Students Apartments Complex (Division of Bond Finance) / IRT

		2024-25 Actual	2025-26 Estimated	2026-27 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	7,212,929	8,060,068	8,266,237
	Investments	0	0	0
	Subtotal:	7,212,929	8,060,068	8,266,237
	B. Replacement Reserve Forward:			
	Debt Service Reserve	761,162	761,162	761,162
	Maintenance & Equipment Reserve	503,600	625,000	750,042
	General Reserve	0	0	0
	Subtotal:	1,264,762	1,386,162	1,511,204
	TOTAL CARRIED FORWARD (A + B):	8,477,692	9,446,230	9,777,441
2.	CURRENT YEAR REVENUE / INFLOWS			
	* Revenue	5,097,802	5,414,673	6,434,507
	Interest Income	0	0	0
	Other Income / Inflows	0	0	0
	TOTAL CURRENT YEAR REVENUE:	5,097,802	5,414,673	6,434,507
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	13,575,494	14,860,903	16,211,948
4.	CURRENT YEAR EXPENDITURES / OUTFLOWS			
	Salaries and Matching	404,278	357,213	485,857
	Other Personal Services	208,860	246,439	282,583
	Operating Expense	1,193,207	245,759	972,874
	Repairs and Maintenance	834,919	1,291,551	642,704
	Debt Service	1,488,000	1,487,500	1,489,250
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	0	1,455,000	35,000
	Other Outflows & Transfers Out	0	0	0
	TOTAL EXPENDITURES:	4,129,263	5,083,462	3,908,268
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	121,400	125,042	128,793
	General Reserve	0	0	0
	Subtotal:	121,400	125,042	128,793
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Subtotal:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	761,162	761,162	761,162
	Maintenance & Equipment Reserve	625,000	750,042	878,835
	General Reserve	0	0	0
	Interest Earned on Reserve Balances	0	0	0
	Subtotal:	1,386,162	1,511,204	1,639,998
8.	ENDING OPERATING CASH (1A +2 -4 -5)	8,060,068	8,266,237	10,663,683
9.	SUMMARY OF ENDING REVENUES (7 +8)	9,446,230	9,777,441	12,303,681

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY : Florida Atlantic University

BOND TITLE : Florida Atlantic University Housing Revenue Bonds, 2016A

AUXILIARY FACILITY (IES) : Students Apartments Complex (Division of Bond Finance) / UVA

		2024-25 Actual	2025-26 Estimated	2026-27 Projected
1.	REVENUE CARRIED FORWARD			
	A. Operating Cash Carried Forward:			
	Liquid	4,892,181	315,084	355,298
	Investments	0	0	0
	Subtotal:	4,892,181	315,084	355,298
	B. Replacement Reserve Forward:			
	Debt Service Reserve	883,309	883,309	883,309
	Maintenance & Equipment Reserve	357,020	443,820	533,224
	General Reserve	0	0	0
	Subtotal:	1,240,329	1,327,129	1,416,533
	TOTAL CARRIED FORWARD (A + B):	6,132,510	1,642,213	1,771,831
2.	CURRENT YEAR REVENUE / INFLOWS			
	* Revenue	4,139,944	4,368,443	4,507,329
	Interest Income	0	0	0
	Other Income / Inflows	0	0	0
	TOTAL CURRENT YEAR REVENUE:	4,139,944	4,368,443	4,507,329
3.	SUMMARY OF AVAILABLE REVENUES (1 +2):	10,272,454	6,010,656	6,279,160
4.	CURRENT YEAR EXPENDITURES / OUTFLOWS			
	Salaries and Matching	352,889	381,530	402,866
	Other Personal Services	131,803	202,350	181,763
	Operating Expense	825,803	410,286	1,232,753
	Repairs and Maintenance	1,247,587	951,610	544,323
	Debt Service	493,250	493,250	492,439
	Repair and Replacement Expense	0	0	0
	Operating Capital Outlay	5,578,910	1,799,800	468,000
	Other Outflows & Transfers Out	0	0	0
	TOTAL EXPENDITURES:	8,630,241	4,238,825	3,322,145
5.	TRANSFERS TO REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	86,800	89,404	110,121
	General Reserve	0	0	0
	Subtotal:	86,800	89,404	110,121
6.	TRANSFERS FROM REPLACEMENT RESERVES			
	Debt Service Reserve	0	0	0
	Maintenance & Equipment Reserve	0	0	0
	General Reserve	0	0	0
	Subtotal:	0	0	0
7.	ENDING REPLACEMENT RESERVES (1B +5 -6)			
	Debt Service Reserve	883,309	883,309	883,309
	Maintenance & Equipment Reserve	443,820	533,224	643,345
	General Reserve	0	0	0
	Interest Earned on Reserve Balances	0	0	0
	Subtotal:	1,327,129	1,416,533	1,526,654
8.	ENDING OPERATING CASH (1A +2 -4 -5)	315,084	355,298	1,430,361
9.	SUMMARY OF ENDING REVENUES (7 +8)	1,642,213	1,771,831	2,957,015

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY : Florida Atlantic University

BOND TITLE : Florida Atlantic University Housing Revenue Bonds, 2016A

AUXILIARY FACILITY (IES) : Students Apartments Complex (Division of Bond Finance) / HPT

	2024-25 Actual	2025-26 Estimated	2026-27 Projected
1. REVENUE CARRIED FORWARD			
A. Operating Cash Carried Forward:			
Liquid	5,396,785	6,771,950	8,234,611
Investments	0	0	0
Subtotal:	5,396,785	6,771,950	8,234,611
B. Replacement Reserve Forward:			
Debt Service Reserve	723,593	723,593	723,593
Maintenance & Equipment Reserve	465,993	586,393	710,405
General Reserve	0	0	0
Subtotal:	1,189,586	1,309,986	1,433,998
TOTAL CARRIED FORWARD (A +B):	6,586,371	8,081,936	9,668,609
2. CURRENT YEAR REVENUE / INFLOWS			
* Revenue	4,336,607	4,020,679	4,552,042
Interest Income	0	0	0
Other Income / Inflows	0	0	0
TOTAL CURRENT YEAR REVENUE:	4,336,607	4,020,679	4,552,042
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	10,922,977	12,102,614	14,220,650
4. CURRENT YEAR EXPENDITURES / OUTFLOWS			
Salaries and Matching	562,175	572,173	518,882
Other Personal Services	207,173	203,617	281,565
Operating Expense	810,375	389,596	848,650
Repairs and Maintenance	538,169	511,471	440,568
Debt Service	723,150	723,150	721,961
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	0	34,000	430,000
Other Outflows & Transfers Out	0	0	0
TOTAL EXPENDITURES:	2,841,042	2,434,006	3,241,625
5. TRANSFERS TO REPLACEMENT RESERVES			
Debt Service Reserve	0	0	0
Maintenance & Equipment Reserve	120,400	124,012	127,732
General Reserve	0	0	0
Subtotal:	120,400	124,012	127,732
6. TRANSFERS FROM REPLACEMENT RESERVES			
Debt Service Reserve	0	0	0
Maintenance & Equipment Reserve	0	0	0
General Reserve	0	0	0
Subtotal:	0	0	0
7. ENDING REPLACEMENT RESERVES (1B +5 -6)			
Debt Service Reserve	723,593	723,593	723,593
Maintenance & Equipment Reserve	586,393	710,405	838,137
General Reserve	0	0	0
Interest Earned on Reserve Balances	0	0	0
Subtotal:	1,309,986	1,433,998	1,561,730
8. ENDING OPERATING CASH (1A +2 -4 -5)	6,771,950	8,234,611	9,417,295
9. SUMMARY OF ENDING REVENUES (7 +8)	8,081,936	9,668,609	10,979,025

INCOME AND EXPENDITURE STATEMENT

UNIVERSITY : Florida Atlantic University

BOND TITLE : Florida Atlantic University Housing Revenue Bonds, 2016A

AUXILIARY FACILITY (IES) : Students Apartments Complex (Division of Bond Finance) / GPT

	2024-25 Actual	2025-26 Estimated	2026-27 Projected
1. REVENUE CARRIED FORWARD			
A. Operating Cash Carried Forward:			
Liquid	5,183,428	5,530,900	4,241,241
Investments	0	0	0
Subtotal:	5,183,428	5,530,900	4,241,241
B. Replacement Reserve Forward:			
Debt Service Reserve	715,611	715,611	715,611
Maintenance & Equipment Reserve	387,622	508,022	632,034
General Reserve	0	0	0
Subtotal:	1,103,233	1,223,633	1,347,645
TOTAL CARRIED FORWARD (A + B):	6,286,662	6,754,533	5,588,886
2. CURRENT YEAR REVENUE / INFLOWS			
* Revenue	4,022,183	4,245,679	4,425,042
Interest Income	0	0	0
Other Income / Inflows	0	0	0
TOTAL CURRENT YEAR REVENUE:	4,022,183	4,245,679	4,425,042
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	10,308,844	11,000,213	10,013,928
4. CURRENT YEAR EXPENDITURES / OUTFLOWS			
Salaries and Matching	276,212	304,424	376,039
Other Personal Services	274,750	256,270	266,263
Operating Expense	741,063	539,557	849,660
Repairs and Maintenance	643,636	658,176	464,289
Debt Service	1,616,150	1,613,900	1,614,400
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	2,500	2,039,000	10,242,000
Other Outflows & Transfers Out	0	0	0
TOTAL EXPENDITURES:	3,554,311	5,411,327	13,812,650
5. TRANSFERS TO REPLACEMENT RESERVES			
Debt Service Reserve	0	0	0
Maintenance & Equipment Reserve	120,400	124,012	127,732
General Reserve	0	0	0
Subtotal:	120,400	124,012	127,732
6. TRANSFERS FROM REPLACEMENT RESERVES			
Debt Service Reserve	0	0	0
Maintenance & Equipment Reserve	0	0	0
General Reserve	0	0	0
Subtotal:	0	0	0
7. ENDING REPLACEMENT RESERVES (1B +5 -6)			
Debt Service Reserve	715,611	715,611	715,611
Maintenance & Equipment Reserve	508,022	632,034	759,766
General Reserve	0	0	0
Interest Earned on Reserve Balances	0	0	0
Subtotal:	1,223,633	1,347,645	1,475,377
8. ENDING OPERATING CASH (1A +2 -4 -5)	5,530,900	4,241,241	(5,274,100)
9. SUMMARY OF ENDING REVENUES (7 +8)	6,754,533	5,588,886	(3,798,723)