

# FAU FINANCE CORPORATION

## BOARD OF DIRECTORS

### MINUTES

Friday, November 15, 2024

1. **ROLL CALL AND APPROVAL OF THE MINUTES OF THE SEPTEMBER 19, 2024, MEETING OF THE FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD).**

The meeting of the FAUFC BOD was convened at 1:30 p.m. by Mr. Roland Valdivieso, Chair. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD, in addition to Mr. Valdivieso, participating: Mr. Pablo Paez, Vice Chair; Mr. Thomas Workman; and Mr. Joseph Ambrosio, and Mr. Scott Mc Cleneghen.

*No Public Comments.*

The following officers were in attendance:

Mr. Jayson Iroff, Executive Director and VP of Financial Affairs & CFO.

The following guests were in attendance:

Dr. Larry Faerman, Vice President of Student Affairs; Dr. Brian Fisher, Associate VP of Student Affairs and Operations, Ms. Elizabeth Rubin, Associate General Counsel; Mrs. Azita Dotiwala, Director of Budget and Planning; Dr. Gregg Fields, Interim VP for Research; Mrs. Michelle DePalma; CFO, FAU Foundation; Mr. Matt Eisner, Financial Analyst; Ms. Louisa Kelly, Associate VP of Financial Operations and University Controller; Mrs. Lien McMullen, Associate Controller, General Accounting Financial, Reporting and Property Management and Mrs. Henri Padron, Executive Assistant.

The following guests attended:

Mr. Ken Kurdziel, CPA; Mr. Chris Noyes, James Moore & Co., Mr. Craig Dunlap, Brailsford & Dunlavey, Mr. Ted Matozzo, Director – B of A Securities, Inc, Mr. Ken Artin, Attorney Bryant Miller & Olive.

Chair Valdivieso has nominated Scott McCleneghen to be our representative for the Investment Policy Committee.

A motion was made and seconded to approve the September 19, 2024, meeting minutes without change or correction. **The motion passed unanimously.**

2. **AUDITED FINANCIAL STATEMENT FY 2023-24**

Mr. Ken Kurdziel and Mr. Chris Noyes, with James Moore Company, provide an overview of the audit process, starting in July and concluding with a report dated October 17. James Moore's audit report includes a clean opinion on the financial statements, and no issues are noted in the internal control and compliance report. The financial statements highlight a net operating income of \$10.4 million, a 17% decrease from the previous year, and a significant increase in investment income.

Mr. Chris Noyes, with James Moore & Co., continues with a detailed analysis of the financial statements, highlighting key metrics such as net athletics revenue, investment income, and non-operating expenses. The net position shows an increase of \$6.7 million, with significant changes in restricted net position, net investment in capital assets, and unrestricted net position. Significant financial statement disclosures include notes on significant bonds payable and related party transactions. Risks identified include management override of internal controls and improper revenue recognition, with no findings reported. Jayson confirms no material differences in the audit from previous presentations.

A motion was made and seconded to approve the Audited Financial Statement for FY 2023-24. **The motion passed unanimously.**

3. **FIRST QUARTER FINANCIAL RESULTS 9/30/24**

Mr. Jayson Iroff provides an update on the first quarter financial results, noting a 5.2% increase in revenues and a focus on repairs, maintenance, and capital projects. Jayson emphasizes the importance of maintaining high occupancy levels and the impact of timing on capital expenditures.

4. **BOND RESOLUTION, SERIES 2024 BONDS**

Mr. Jayson Iroff introduces the bond resolution for the series 2024 bonds, detailing the process and the need for board approval. Ken Artin explains the resolution, including the authorization for the executive director to sign a bond purchase agreement with BOA Securities. The resolution authorizes the issuance of bonds not exceeding \$117,750,000, with a final maturity not later than July 1, 2054. The preliminary and final official statements and US Bank's role as trustee are explained.

Mr. Ted Matozzo from Bank of America Securities, Inc., provides an update on the bond ratings, confirming A— from S&P and A+ from Fitch. The bond issue schedule includes a rating review, the preliminary official statement issuance, and the official marketing period. The bonds' pricing is scheduled for December 5, with the closing expected on December 19. Scott McLennan inquired about the market conditions and the potential for over- or under-subscription. Ted Matozzo reassured us that the market is strong and that the bonds are expected to be well-received.

**ADJOURNMENT OF MEETING.** With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 2:37 p.m.