



FLORIDA ATLANTIC UNIVERSITY

Board of Trustees

Item: **BF: I-1**

BUDGET AND FINANCE COMMITTEE

Tuesday, November 19, 2024

**Subject: REVIEW OF FAU FINANCIAL PERFORMANCE YEAR END FY 2023-24, AND
FIRST QUARTER FY 2024-25**

PROPOSED COMMITTEE ACTION

Information Only

BACKGROUND INFORMATION

This report will present the University's financial performance for Fiscal Year 2023-24 and for the first quarter of Fiscal Year 2024-25.

IMPLEMENTATION PLAN/DATE

N/A

FISCAL IMPLICATIONS

N/A

Supporting Documentation: FAU Financials Presentation

Presented by: Mr. Jayson Iroff, VP Financial Affairs and CFO;

Phone: 561-297-3134



Florida
Atlantic
University



FINANCIAL AFFAIRS

Board of Trustees Fiscal 2024 Year End & Fiscal 2025 Quarter One Financial Update

Presented By
Jayson Iroff

Presented To
FAU Board of Trustees

Date
Nov. 14, 2024

OUTLINE

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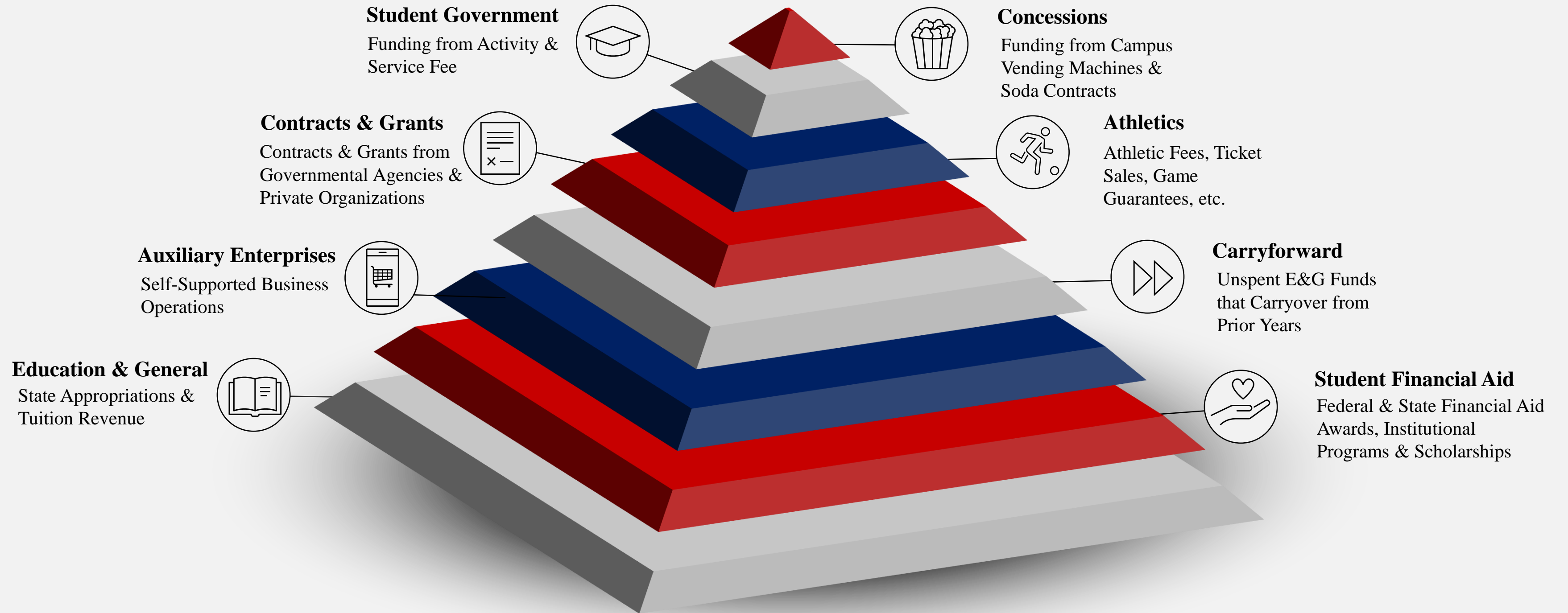
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UNIVERSITY OVERVIEW

COLORS OF MONEY



FY24

YEAR END

FY24 BUDGET-TO-ACTUALS

UNAUDITED

(In Millions)

Revenues	Budget	Actuals	Actual to Budget %
Education & General	418.0	469.0	112.2%
Student Financial Aid	213.0	229.7	107.8%
Auxiliaries	136.8	144.1	105.3%
Contracts and Grants	99.0	92.5	93.4%
Athletics	32.9	32.7	99.5%
Student Activities	9.8	10.3	105.8%
Concession	0.8	0.4	52.5%
Total	910.3	978.7	107.5%

Notes:

The university exceeded its revenue budget by \$68.4 million, driven primarily by strong enrollment and investment income within Education & General activities, boosted by a favorable high-interest-rate environment. Additional contributions came from increased student financial aid activity and stronger-than-anticipated performance in auxiliary services.

Expenses	Budget	Actuals	Actual to Budget %
Education & General	418.0	403.4	96.5%
Student Financial Aid	213.3	227.1	106.5%
Auxiliaries	140.7	130.5	92.7%
Contracts and Grants	98.0	91.1	93.0%
Athletics	32.9	32.7	99.5%
Student Activities	11.6	9.4	80.7%
Concession	0.8	0.6	78.3%
Total	915.2	894.8	97.8%

Notes:

The university managed its expense budget effectively, finishing the year at 97.8% of the budgeted amount. Key drivers included Education & General spending, which came in under budget at 96.5%, and prudent management across auxiliary services at 92.7% of budget. The largest area of overage was in Student Financial Aid, reaching 106.5%, reflecting a strategic increase in financial support for students.

FY23 & FY24 ACTUALS-TO-ACTUALS

UNAUDITED

(In Millions)

Revenues	FY23 Actuals	FY24 Actuals	Variance (\$)
Education & General	402.1	469.0	66.9
Student Financial Aid	217.6	229.7	12.1
Auxiliaries	133.3	144.1	10.9
Contracts and Grants	116.3	92.5	(23.8)
Athletics	33.3	32.7	(0.6)
Student Activities	9.8	10.3	0.5
Concession	0.5	0.4	(0.1)
Total	912.8	978.7	65.9

Notes:

The university saw a \$65.9 million increase in revenues in FY24 compared to FY23, primarily driven by significant growth in Education & General activities, which rose by \$66.9 million, supported by strong enrollment and favorable economic conditions. Additional contributions came from increased student financial aid activity, which added \$12.1 million, and better-than-expected performance in auxiliary services, contributing \$10.9 million.

Expenses	FY23 Actuals	FY24 Actuals	Variance (\$)
Education & General	351.5	403.4	51.9
Student Financial Aid	215.5	227.1	11.6
Auxiliaries	123.0	130.5	7.5
Contracts and Grants	98.7	91.1	(7.6)
Athletics	28.4	32.7	4.3
Student Activities	9.1	9.4	0.3
Concession	0.6	0.6	0.0
Total	826.8	894.8	68.0

Notes:

The university's FY24 expenses reached \$894.8M, a \$68.0M increase over FY23. This was largely driven by a \$51.9M rise in Education & General spending, supported by additional state appropriations and effective fund management. Increases in Student Financial Aid \$11.6M, Auxiliaries \$7.5M, and Athletics \$4.3M further reflect the university's investment in student support and campus services.

FY20-FY24 ACTUALS-TO-ACTUALS

5-Year Trend

(In Millions)

Revenues	FY20	FY21	FY22	FY23	FY24	5-Year %
Education & General	378.2	378.2	381.4	402.1	469.0	24.0%
Student Financial Aid	217.9	224.9	239.5	217.6	229.7	5.4%
Auxiliaries	129.2	116.7	128.6	133.0	144.1	11.6%
Contracts and Grants	89.6	91.2	135.5	116.3	92.5	3.2%
Athletics	26.4	24.1	27.1	33.3	32.7	23.8%
Student Activities	10.0	9.8	9.1	9.8	10.3	3.9%
Concession	0.6	0.1	0.8	0.5	0.4	(26.2%)
Total	851.8	844.9	922.0	912.6	978.7	14.9%

Notes:

Over the past five fiscal years, the university's total revenues have grown by 14.9%, increasing from \$851.8M in FY20 to \$978.7M in FY24. This growth is primarily driven by a 24.0% increase in Education & General revenues, reflecting robust enrollment and operational activities.

Expenses	FY20	FY21	FY22	FY23	FY24	5-Year %
Education & General	375.3	359.7	332.0	351.5	403.4	7.5%
Student Financial Aid	217.4	224.4	241.0	215.5	227.1	4.5%
Auxiliaries	135.4	108.8	120.6	123.2	130.5	(3.7%)
Contracts and Grants	89.0	87.8	89.8	98.7	91.1	2.4%
Athletics	27.4	23.8	27.1	28.4	32.7	19.5%
Student Activities	8.6	8.8	9.7	9.1	9.4	8.8%
Concession	0.6	0.4	0.5	0.6	0.6	4.3%
Total	853.7	813.7	820.7	827.0	894.8	4.8%

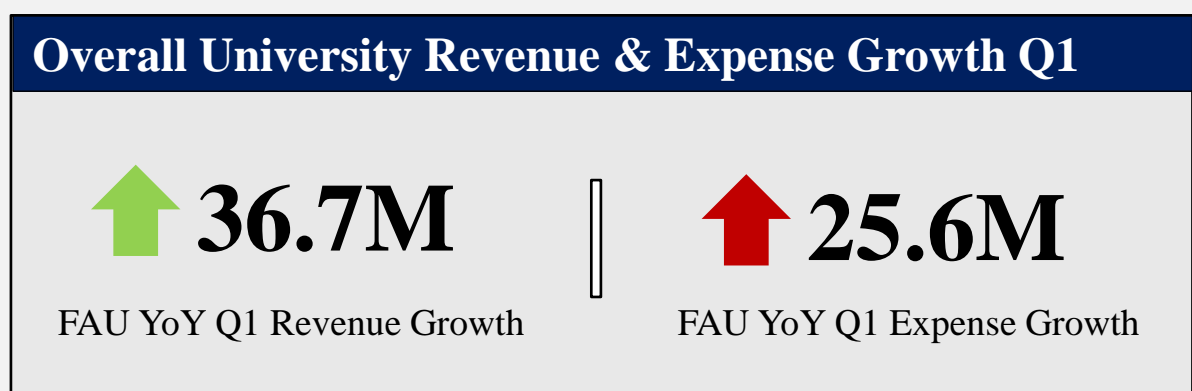
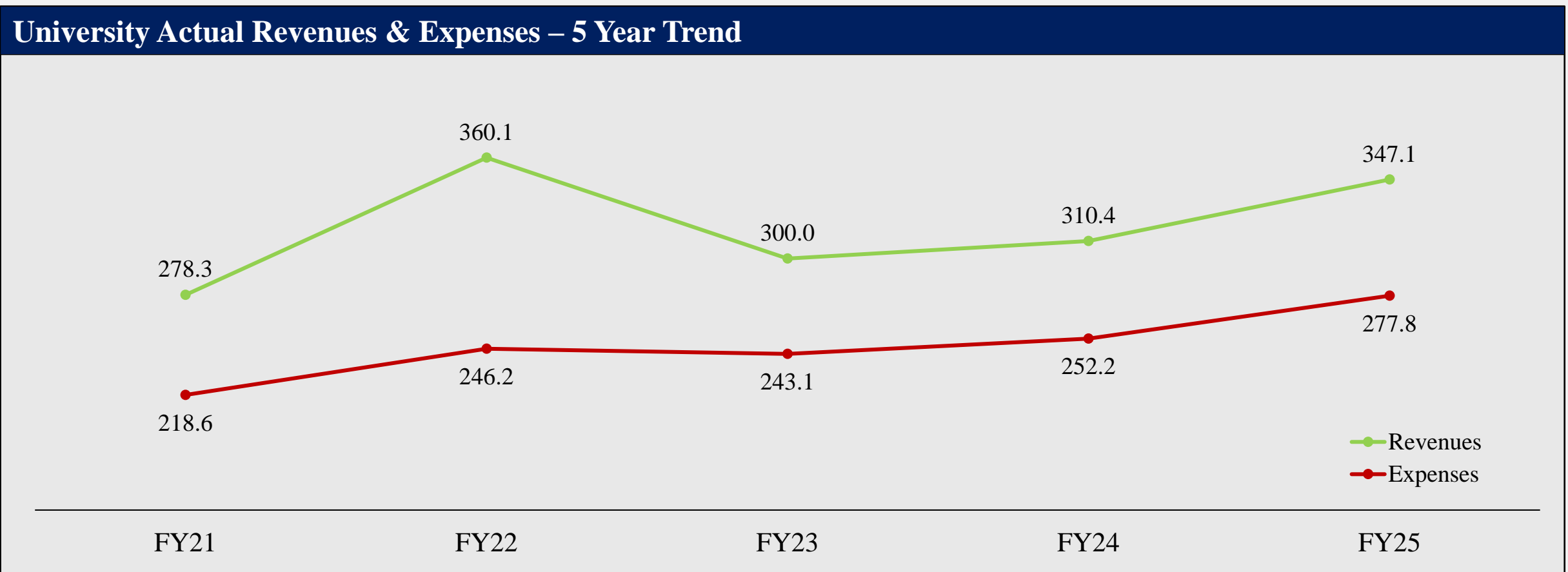
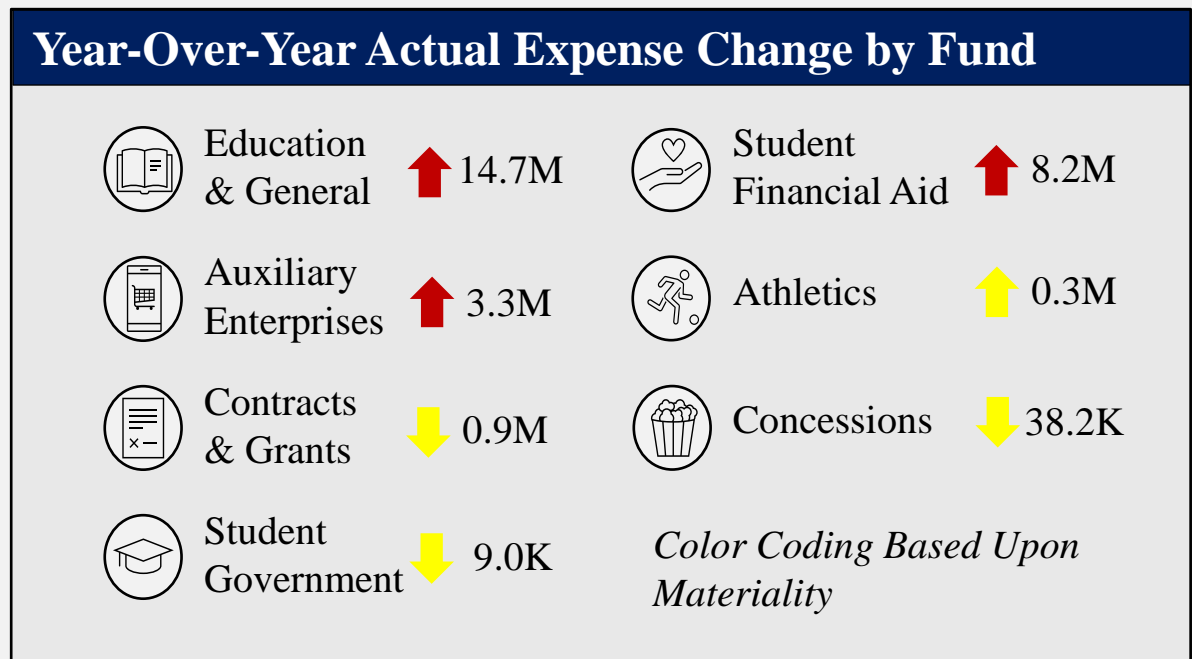
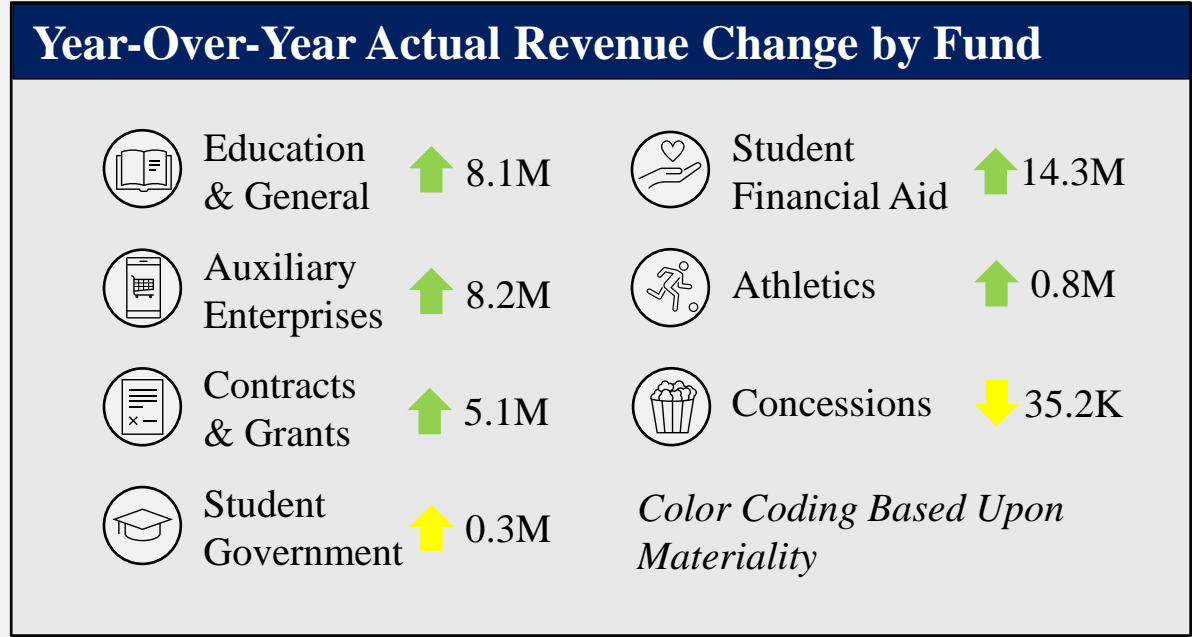
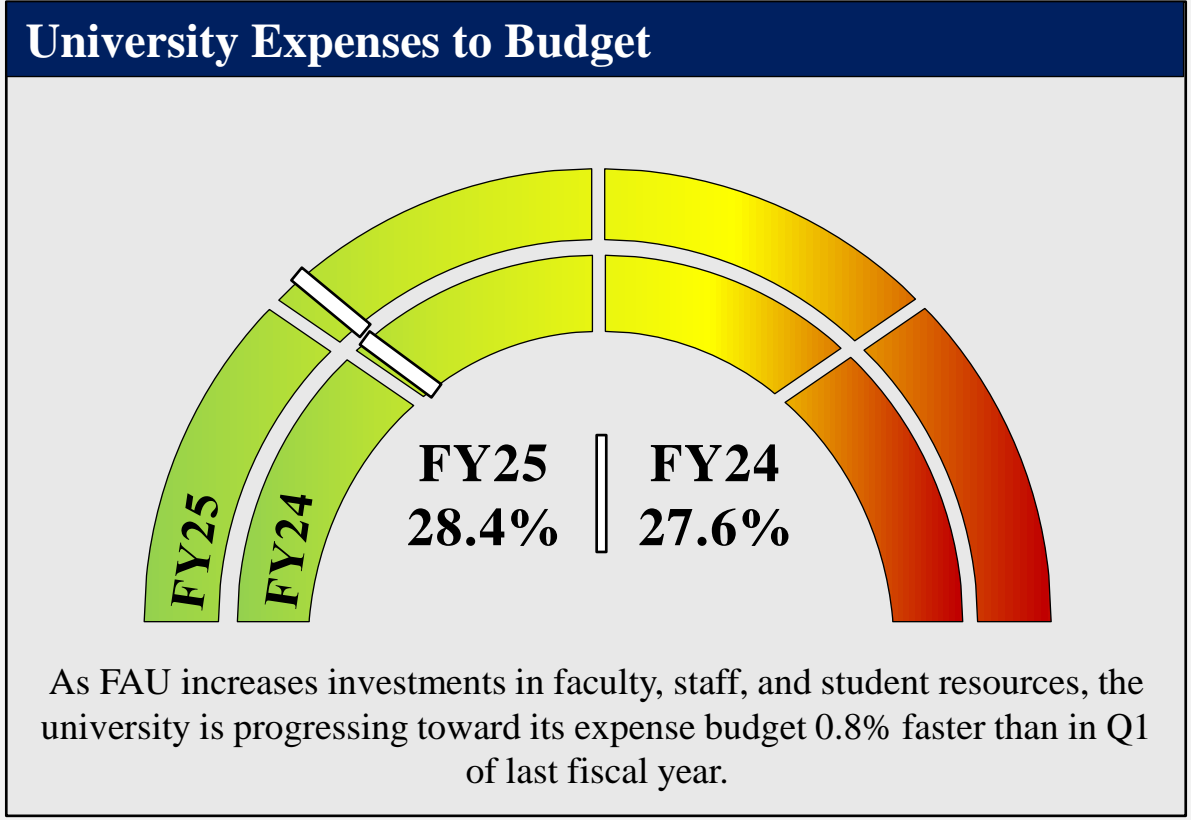
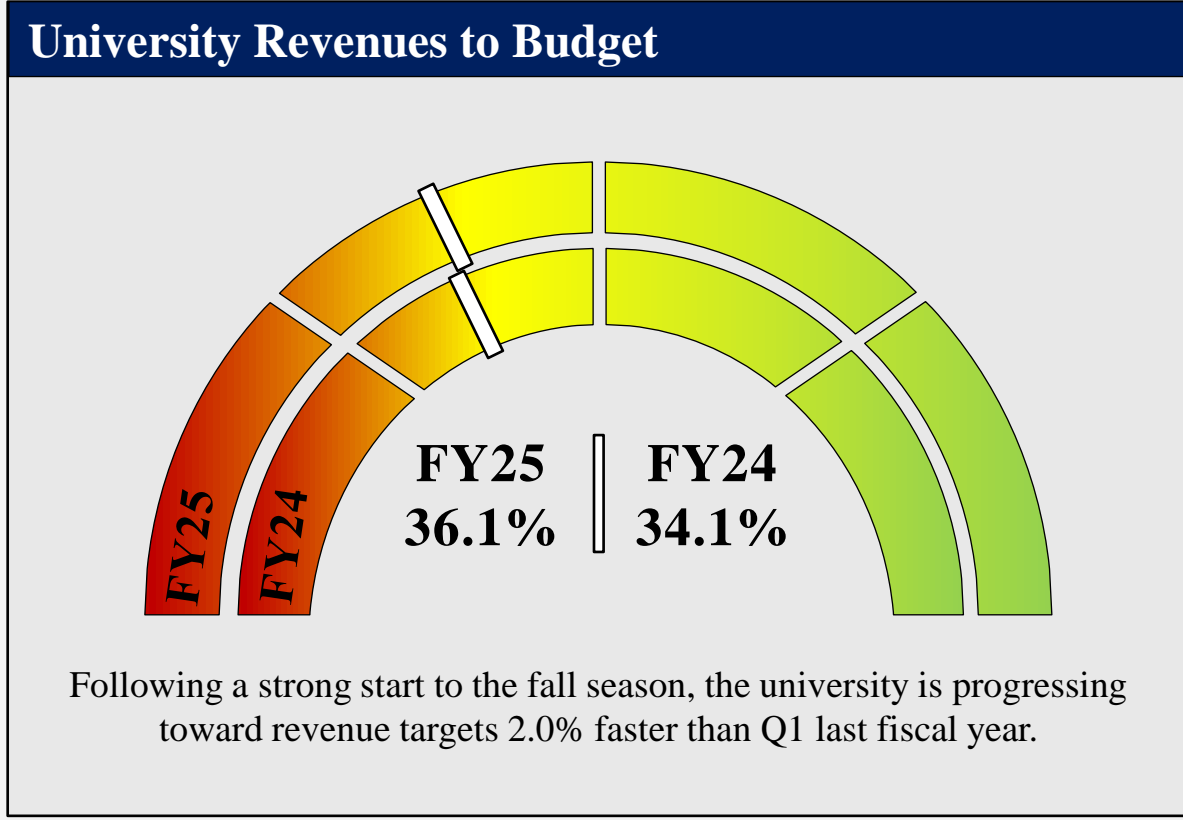
Notes:

Over the past five years, the university's expenses grew by 4.8%, reaching \$894.8M in FY24. This trend aligns with our strategic initiatives and reflects increased expenses in Education & General (7.5%) and Student Financial Aid (4.5%), while Auxiliaries decreased by 3.7%, indicating streamlined operations.

FY25

Q1 SUMMARY

FLORIDA ATLANTIC UNIVERSITY Q1 SUMMARY

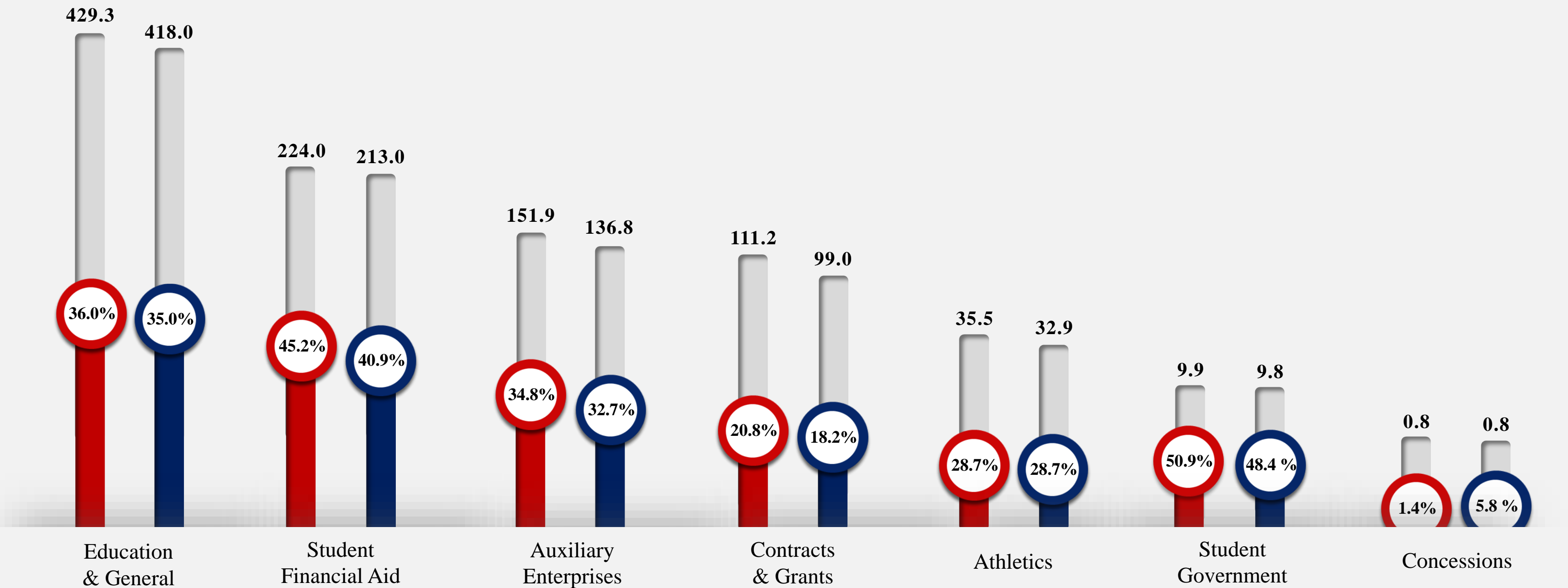


FY25

Q1 REVENUES

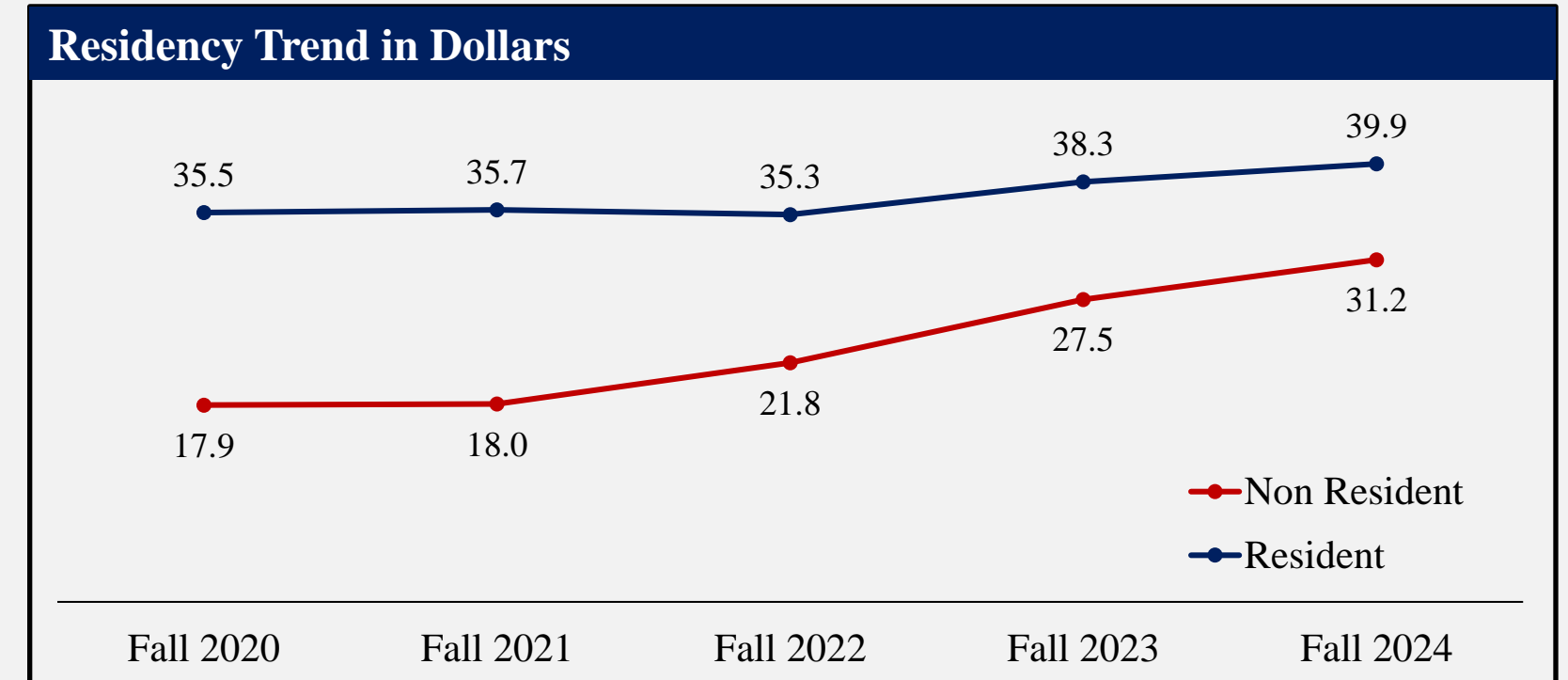
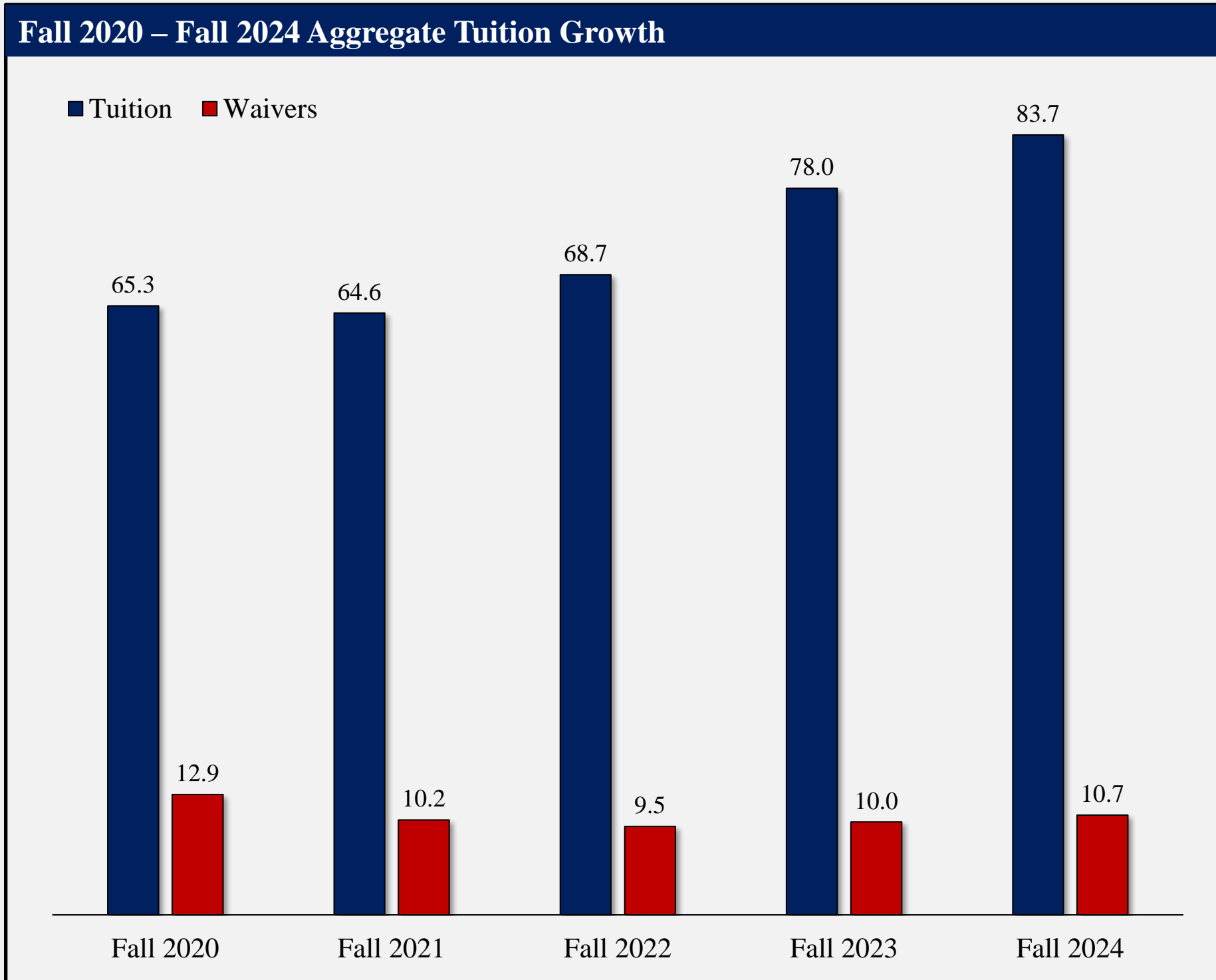
FY25 Q1 REVENUES BUDGET TO ACTUALS

FY25 ● FY24 ● (In Millions)



E&G REVENUE

FALL TUITION



Analysis:

FAU’s **total tuition revenue grew by 28.1% from Fall 2020 to Fall 2024**, driven by strong contributions from both non-resident and resident students. **Non-resident revenue surged 73.8%**, with notable increases in Fall 2022 (20.8%) and Fall 2023 (26.5%), reflecting the institution's expanding global appeal. Meanwhile, **resident revenue showed a steady 12.5% growth**, with bumps in Fall 2023 (8.5%) and Fall 2024 (4.3%), affirming a stable foundation built on consistent interest from Florida students. Our balanced growth strategy supports FAU’s long-term sustainability, focusing on the development of both resident and non-resident cohorts.

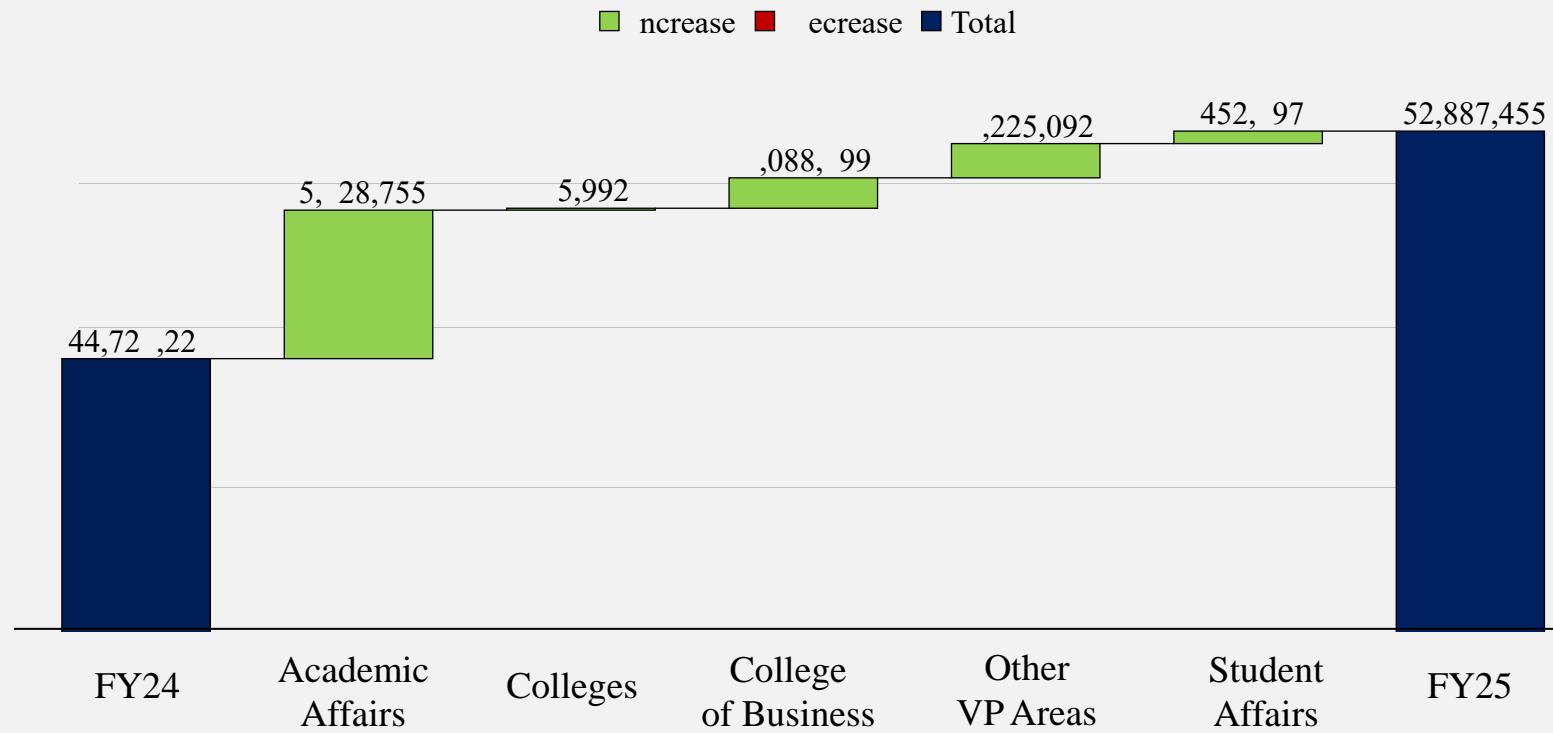
Additionally, waiver support, which initially declined, saw increases of 4.9% in Fall 2023 and 7.5% in Fall 2024, reinforcing FAU’s commitment to affordability and enhancing in-state enrollment.

Tuition Revenue Including Student Fees, Tuition Differential, Excludes College of Medicine

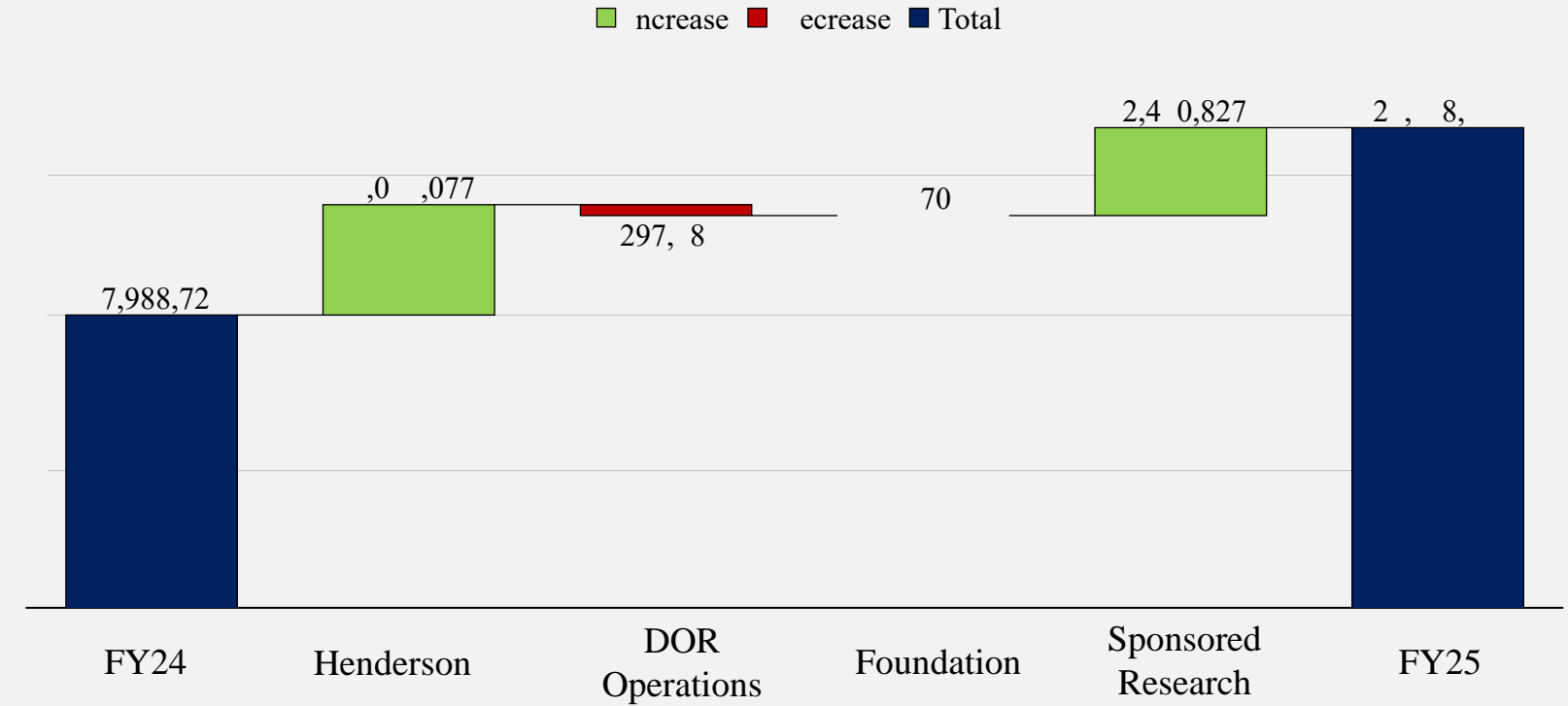
FUND REVENUE GROWTH

FY25 QUARTER 1

Auxiliaries \$8.2M ↑



Contracts & Grants 5.1M ↑



Notes:

The 18.2% increase in auxiliary revenues quarter over quarter was primarily driven by three key factors:

1. \$5.7M in new revenues from FAU Health and the Broward Health partnership.
2. \$1.1M growth in the College of Business, largely due to the continued success of their executive programs.
3. Increased investment income, benefiting from improved interest rates.

Notes:

The 28.5% increase in contracts & grants revenues quarter over quarter was primarily driven by:

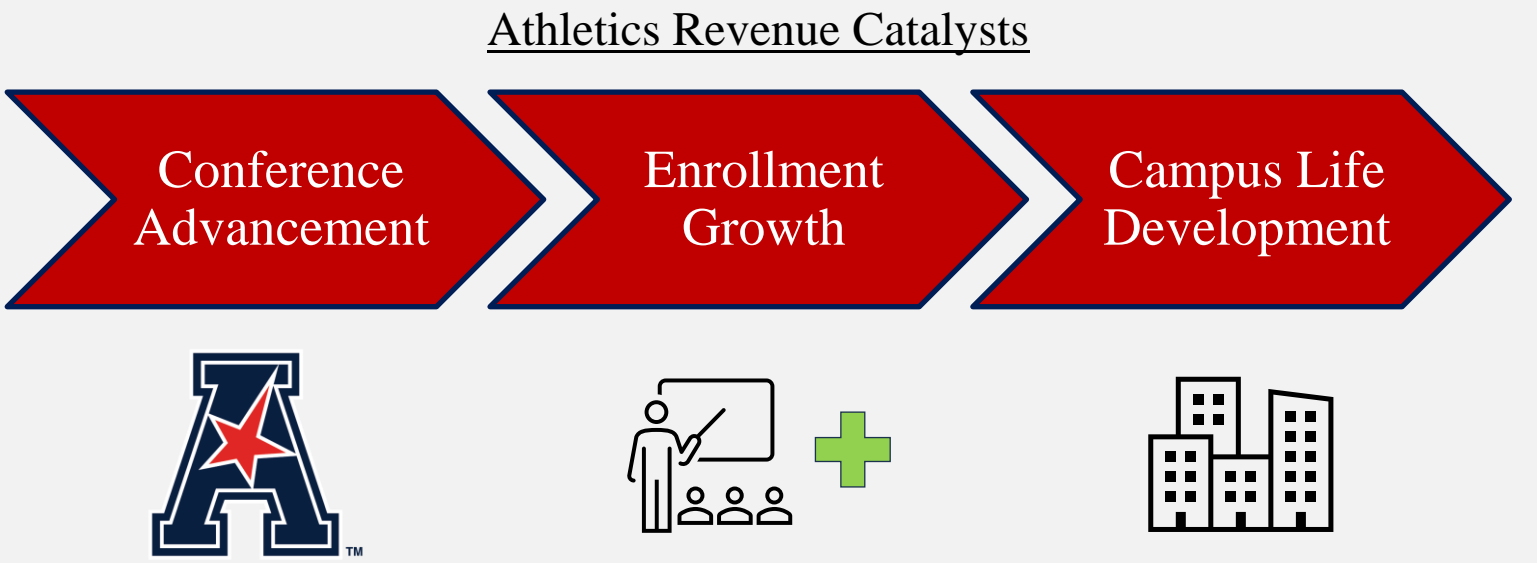
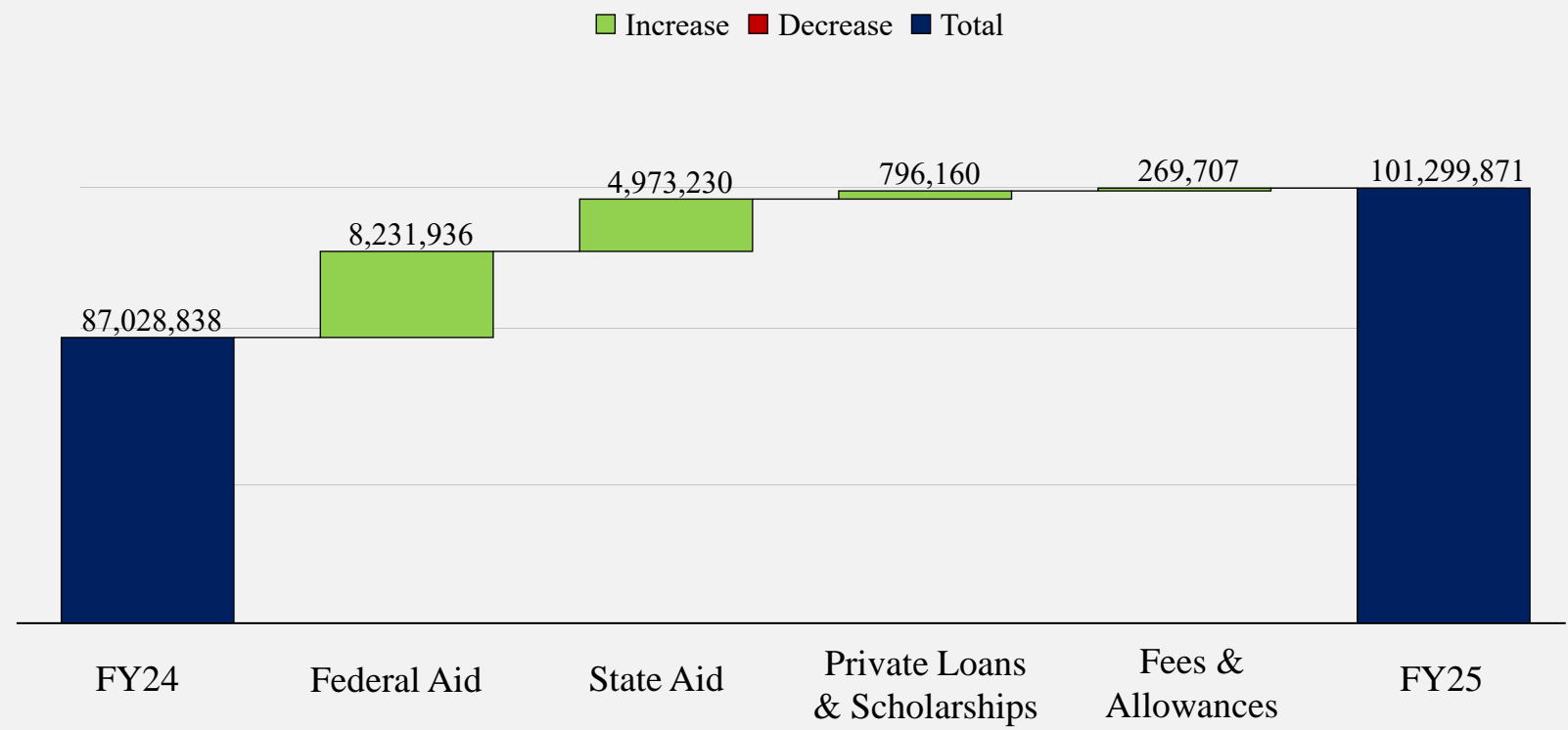
1. In FY25, there was a \$3.0M increase in revenue from Henderson. A majority of these dollars are assigned to launch the Marcus Research & Innovation Center.
2. Sponsored Research saw an increase of \$2.4M. This change was driven by larger grant revenues realized by HBOI.

FUND REVENUE GROWTH

FY25 QUARTER 1

Student Financial Aid \$14.3M ↑

Athletics 763K ↑



Notes:
 The 16.4% increase in financial aid revenues is driven by several key areas:

1. Federal Aid increased by \$8.2M, this was driven by increases in Stafford Loan Program and Pell Grant activities.
2. State Aid grew by \$5.0M, this was driven by an increase in state program revenues.

Increases across federal, state, and private sources account for the overall rise in financial aid, reaching \$101.3M in FY25.

Notes:
 Increased revenue from athletics operations has driven strong quarter-over-quarter growth. This surge can be attributed to factors such as conference advancement and enrollment growth.

This growth of the athletics fund continues to leave a positive impact on the campus life experience for our incoming and existing owls.

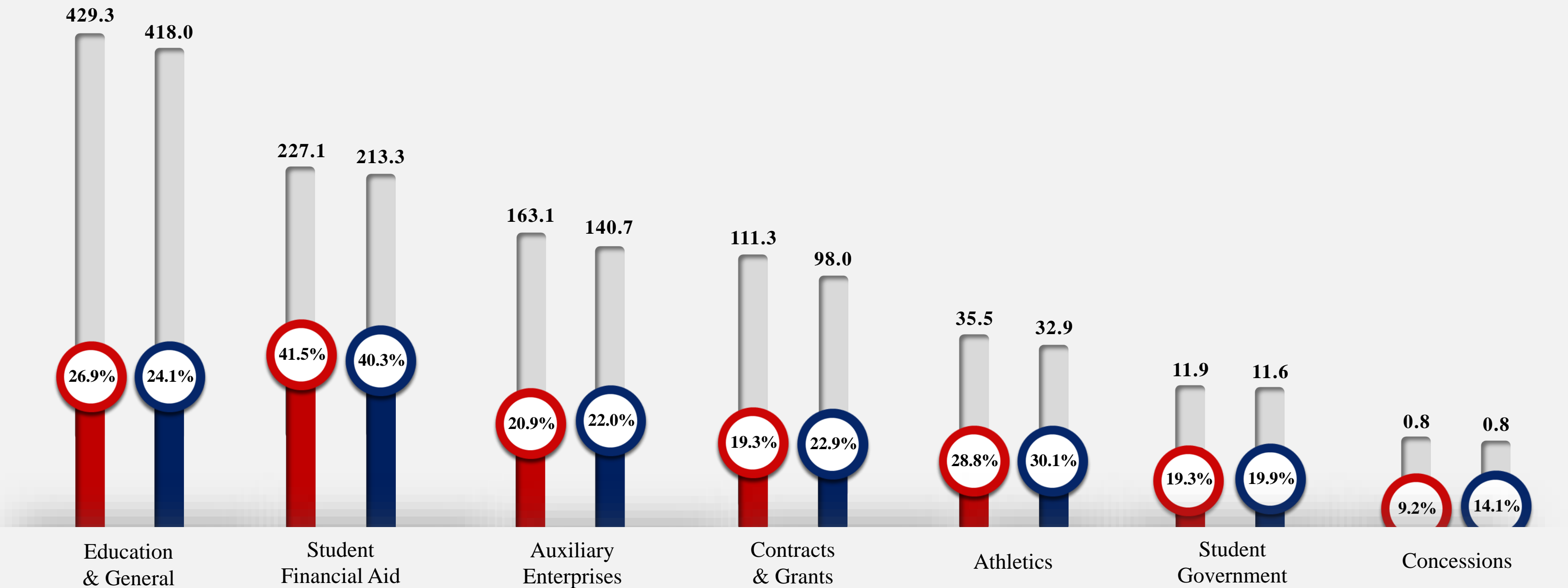
FY25

Q1 EXPENSES

FY25 Q1 EXPENSES BUDGET TO ACTUALS

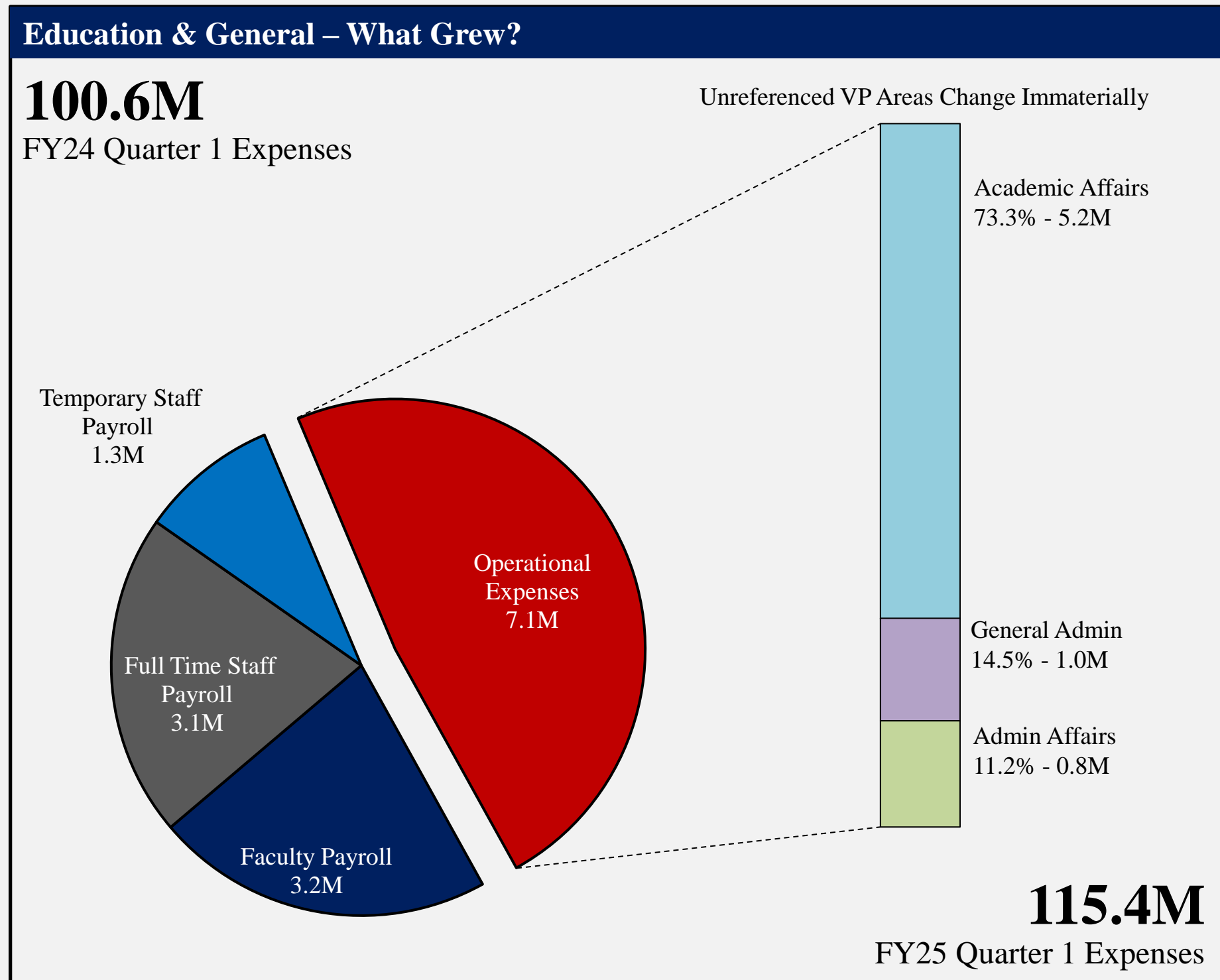
FY25 ● FY24 ●

(In Millions)



E&G EXPENSES

FY25 QUARTER 1



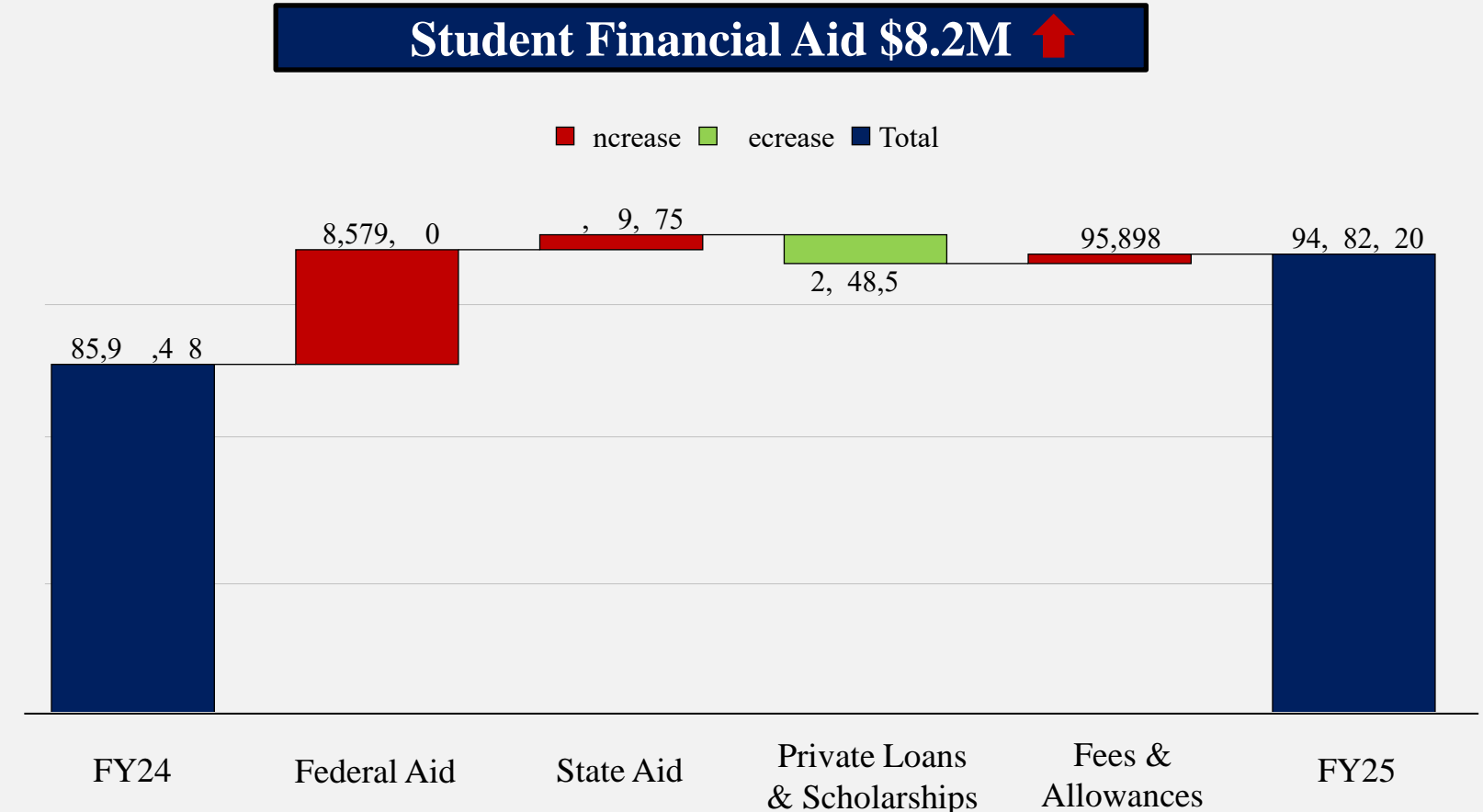
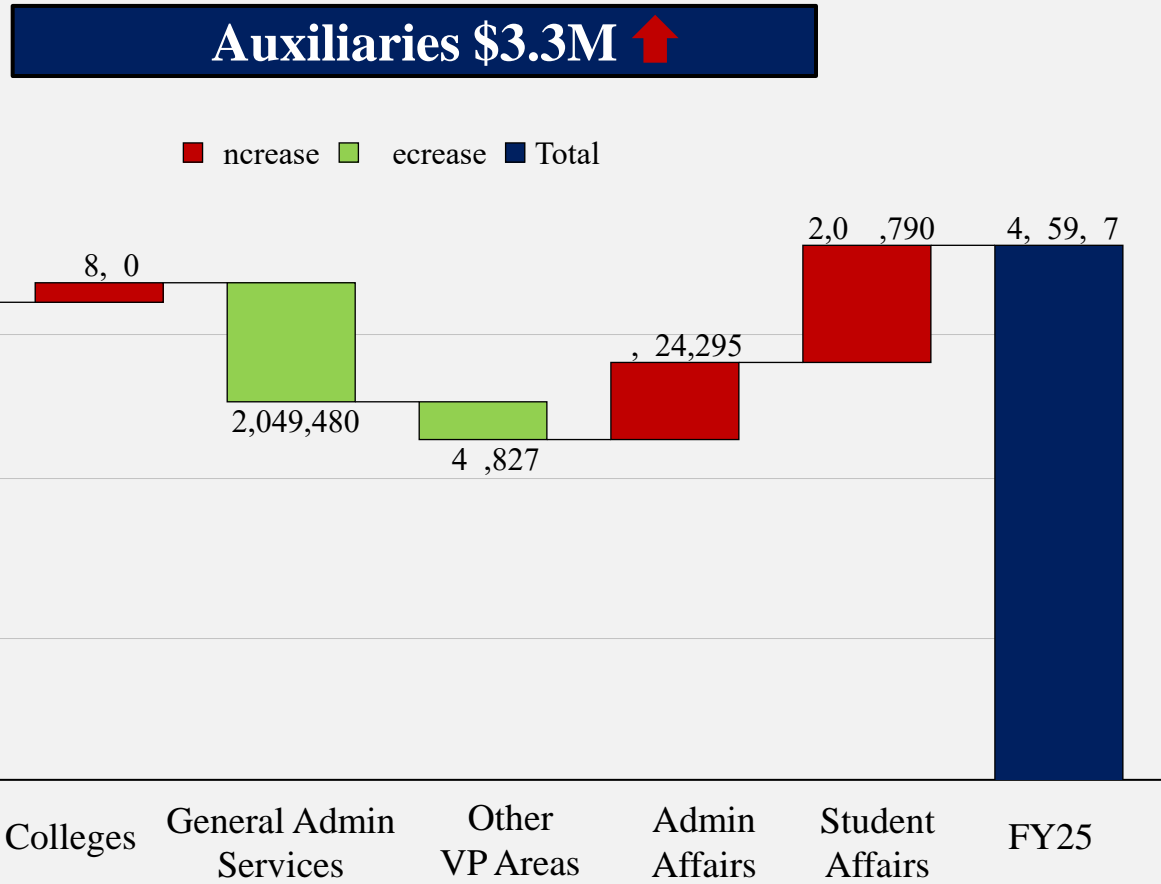
Analysis:

The \$14.7M increase in education & general expenses can be attributed to the following:

1. Faculty payroll increased by \$3.2M in FY25. Additionally, full time staff payroll increased by 3.1M. These increases reflect FAU's continued commitment to supporting human capital across all areas on campus.
2. Operational expenses increased primarily due to enhanced support for the incoming fall cohort and existing students. Additionally, some scholarship disbursements were made earlier in the fiscal year than in previous years to ensure student needs were met without disruptions caused by timing issues.

FUND EXPENSE GROWTH

FY25 QUARTER 1



Notes:

The 10.5% increase in Auxiliary expenses is driven by several key areas:

1. Academic Affairs excluding the colleges, increased \$2.3M due to new expenses relating to the FAU Health, Broward partnership.
2. Student Affairs increase of \$2.0M relates to increased expenses for student health services.
3. Administrative Affairs increase of \$1.3M is due to new construction across campus.

Notes:

As revenues for student financial aid increase, expenses also rise accordingly. The \$8.2M (9.6%) increase in expenses is spread across the same categories as the revenue side. However, the increase does not align exactly due to the timing of receiving state and federal reimbursements for student support.

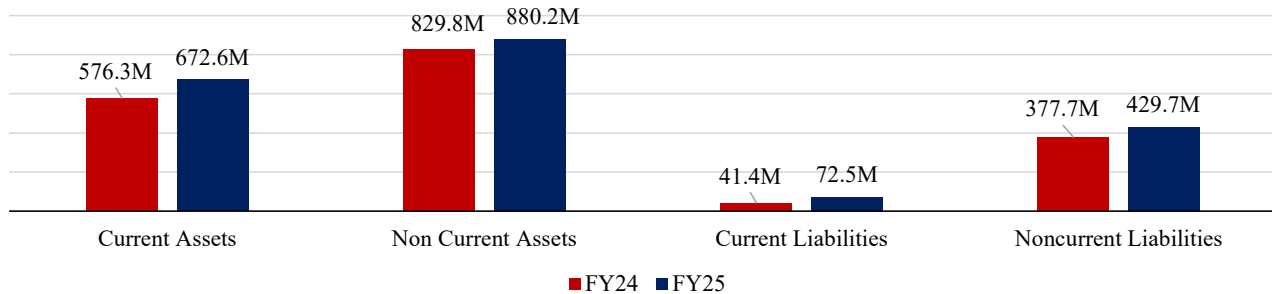
Overall, this strong growth in expenses reflects the mission of the Office of Student Financial Aid to meet the financial needs of all university students.

THANK YOU



Florida Atlantic University
 Quarterly Financial Report
 For Three Months Ending 9/30/2023

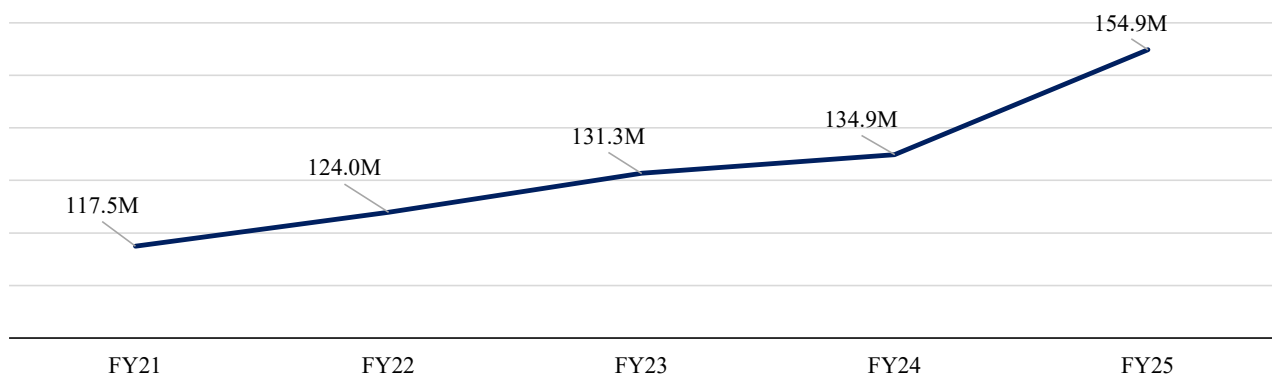
Balance Sheet Insights



P&L Activity

	Q1 FY25 Actuals	Q1 FY24 Actuals	FY25 to FY24 Variance
Operating Revenues			
Student Tuition & Fees, Net of Scholarship Allowances	95,977,876	90,253,913	5,723,963
Grants & Contracts	17,643,221	15,246,462	2,396,759
Sales & Services	38,355,818	27,475,261	10,880,557
Other Operating Revenues	2,952,438	1,943,771	1,008,667
Total Operating Revenues	154,929,353	134,919,407	20,009,947
Operating Expenses			
Compensation & Employee Benefits	(116,686,402)	(107,788,444)	(8,897,958)
Services & Supplies	(35,041,799)	(32,721,773)	(2,320,027)
Utilities & Communications	(3,308,367)	(3,970,021)	661,655
Scholarships, Fellowships & Waivers	(29,062,910)	(24,613,984)	(4,448,926)
Depreciation	(8,857,742)	(8,410,229)	(447,514)
Total Operating Expenses	(192,957,220)	(177,504,450)	(15,452,770)
Operating Income (Loss)	(38,027,867)	(42,585,044)	4,557,177
Non Operating Revenues (Expenses)			
State Noncapital Appropriations	52,200,536	53,213,766	(1,013,230)
Federal & State Student Financial Aid	43,829,649	35,480,517	8,349,132
Investment Income (Loss)	5,734,542	1,849,716	3,884,826
Other Non-Operating Revenues	4,309,034	3,777,541	531,493
Total Non Operating Revenues (Expenses)	106,073,761	94,321,539	11,752,221
Net Income	68,045,894	51,736,495	16,309,398

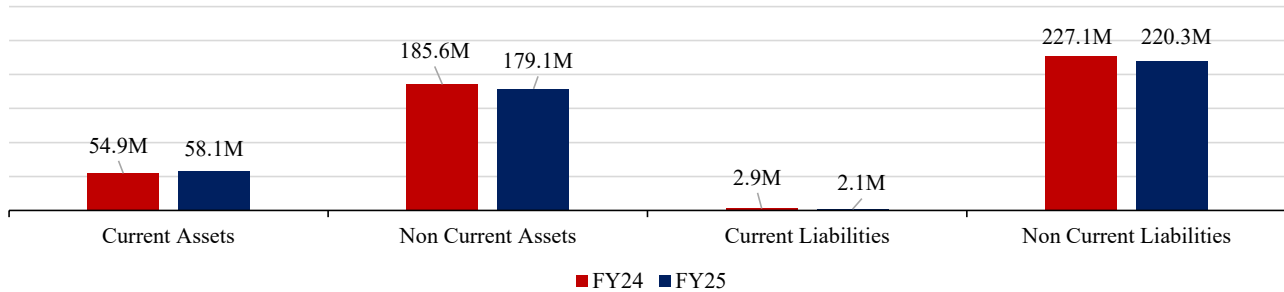
Q1 Operating Revenue



FAU Finance Corporation

Quarterly Financial Report
For Three Months Ending 9/30/2023

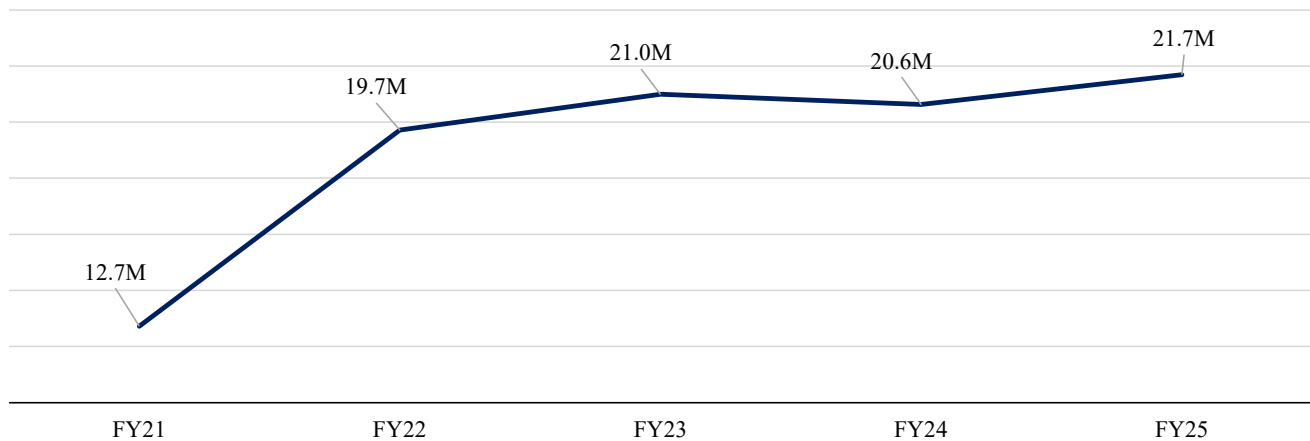
Balance Sheet Insights



P&L Activity

	Q1 FY25 Actuals	Q1 FY24 Actuals	FY25 to FY24 Variance
Operating Revenues			
Housing Operations Revenues	21,688,121	20,991,584	696,537
Housing Operations Expenses	(5,346,727)	(4,216,938)	(1,129,789)
Depreciations and Amortization Expense	(1,561,105)	(2,316,090)	754,985
Operating Income, Net	<u>14,780,289</u>	<u>14,458,556</u>	<u>321,733</u>
Nonoperating Revenues (Expenses)			
Athletic Revenues	35,810	1,410,306	(1,374,496)
Interest Income	354,262	384,180	(29,917)
Unrealized Gains (Losses)	169,051	1,436,764	(1,267,713)
Contributions to the University, Net	-	-	-
Other Nonoperating Expenses	-	-	-
Interest Expense	-	-	-
Nonoperating Expenses, Net	<u>559,123</u>	<u>3,231,250</u>	<u>(2,672,127)</u>
Net Income	<u><u>15,339,412</u></u>	<u><u>17,689,806</u></u>	<u><u>(2,350,394)</u></u>

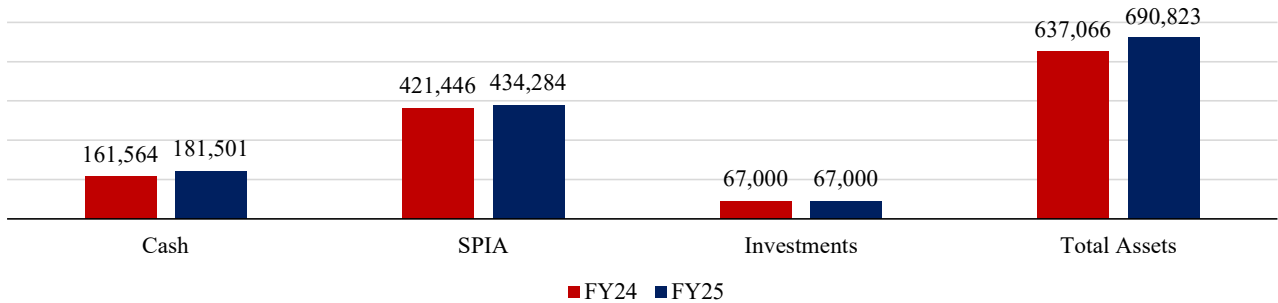
Q1 Operating Revenue



FAU Research Corporation

Quarterly Financial Report
For Three Months Ending 9/30/2023

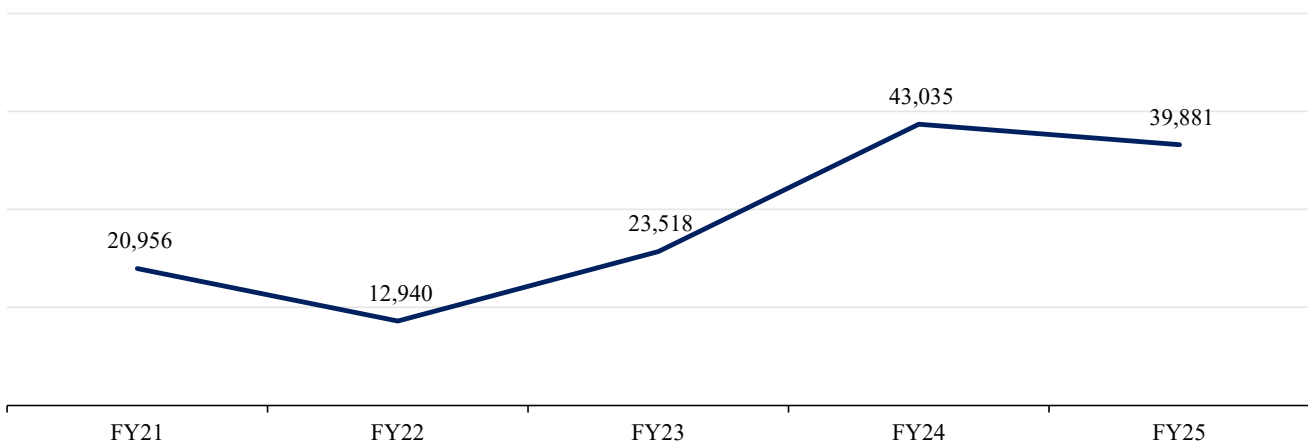
Balance Sheet Insights



P&L Activity

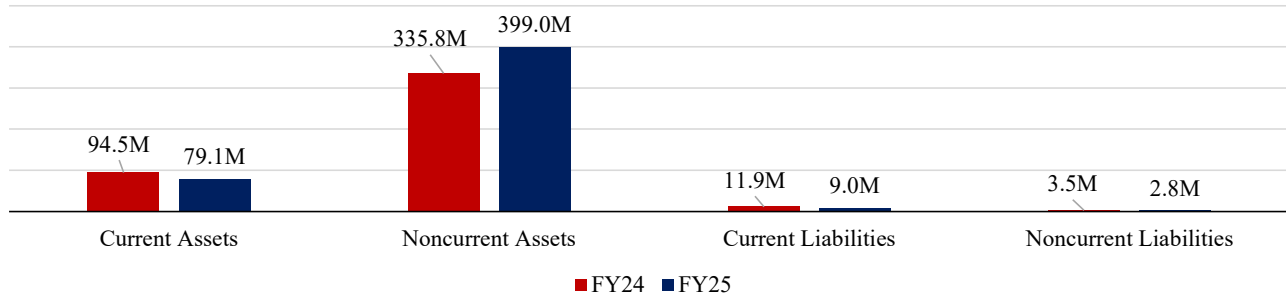
	Q1 FY25 Actuals	Q1 FY24 Actuals	FY25 to FY24 Variance
Operating Revenues:			
Nongovernmental Grants, Contracts & Other Operating Rev.	22,057	17,561	4,497
Royalties	17,824	25,474	(7,650)
Total Operating Revenues	39,881	43,035	(3,153)
Operating Expenses:			
Contractual & Program Expenses	(17,592)	(18,320)	728
Royalty Expenses	-	-	-
Total Operating Expenses	(17,592)	(18,320)	728
Net Operating Income	22,289	24,715	(2,425)
Non-Operating Revenues (Expenses):			
Investment Income	4,305	3,181	1,124
Net Income (Financial Statement-Accrual)	26,594	27,896	(4,455)

Q1 Operating Revenue



FAU Foundation
 Quarterly Financial Report
 For Three Months Ending 9/30/2023

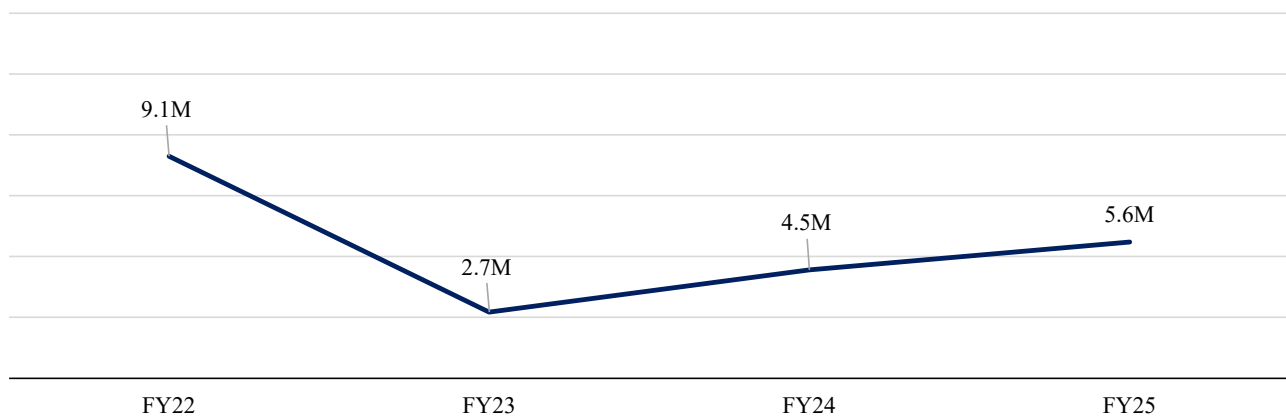
Balance Sheet Insights



P&L Activity

	Q1 FY25 Actuals	Q1 FY24 Actuals	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	926,697	698,805	227,892
Gift & Non-Gift Fees & Other Income	45,478	81,439	(35,961)
Total Source of Foundation Funds (Revenues)	7,765,185	7,227,409	537,776
Use of Foundation Funds: (Expenses)			
Salaries & Benefits - FAU Advancement Staff	-	(315,000)	315,000
Operating Expenses	554,848	(454,472)	1,009,320
Government Relations & University Leadership Support	79,694	(57,646)	137,340
University Initiatives/Priorities	1,362,300	(727,304)	2,089,604
Total Use of Foundation Funds (Expenses)	1,996,842	(1,554,422)	3,551,264
Source of Funds Over/(Under) Use of Funds	9,762,027	5,672,987	4,089,040

Q1 Operating Revenue

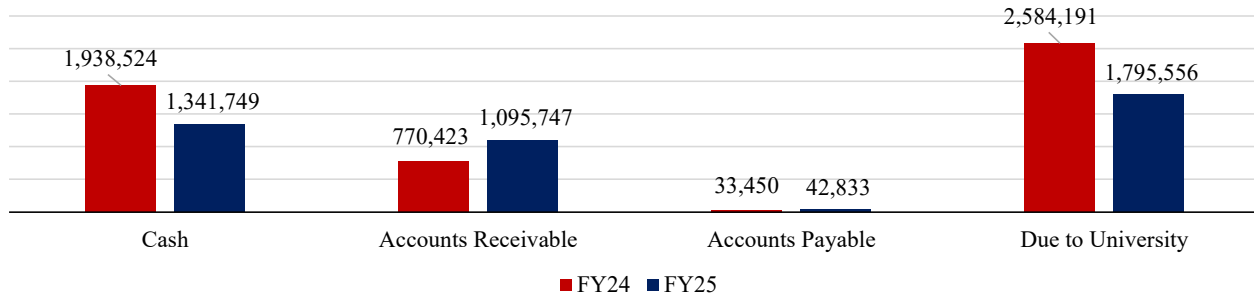


Operating revenue fluctuates due to the timing of donations

FAU Clinical Practice Organization

Quarterly Financial Report
For Three Months Ending 9/30/2023

Balance Sheet Insights



P&L Activity

	Q1 FY25 Actuals	Q1 FY24 Actuals	FY25 to FY24 Variance
Operating Revenues:			
Clinical Services/Patient Care	1,311,131	1,456,838	(145,706)
Operating Expenses:			
Salaries & Benefits	(1,250,674)	(1,282,750)	32,076
EMR/Billing	(10,072)	(36,151)	26,078
Utilities	(4,524)	(11,725)	7,201
Medical, Lab, Patient Supplies	(360)	(14,439)	14,079
Examination, Testing, Medical Svcs	(4,056)	(8,390)	4,334
Audit Services	(4,000)	(4,250)	250
Practice Consultant	(2,319)	(3,820)	1,501
Software	-	(858)	858
Insurance	-	(6,500)	6,500
Equipment Lease	691	(1,799)	2,490
Credit Card & Bank Fees	(6,447)	(5,869)	(578)
Other Operating Expenses	(4,386)	(9,091)	4,705
Total Operating Expenses	<u>(1,286,147)</u>	<u>(1,385,642)</u>	<u>99,495</u>
Net Income	<u><u>24,984</u></u>	<u><u>71,195</u></u>	<u><u>(46,211)</u></u>

Q1 Operating Revenue

