



FLORIDA ATLANTIC UNIVERSITY

Board of Trustees

Item: BF: A-2a

BUDGET AND FINANCE COMMITTEE

Tuesday, June 4, 2024

SUBJECT: REQUEST FOR APPROVAL OF THE 2024-25 FLORIDA ATLANTIC UNIVERSITY FINANCE CORPORATION OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2024-25 FAU Finance Corporation's (FAUFC) Operating Budget; and, authorize the FAUFC Executive Director to amend this budget as appropriate during the fiscal year consistent with Board of Trustees' directives and guidelines.

BACKGROUND INFORMATION

The FAU Finance Corporation By-laws, adopted November 13, 2009 and amended November 17, 2011, require the preparation of an annual budget. The budget must be prepared before the beginning of the University's fiscal year, approved by the FAUFC Board of Directors and recommended by the University President to the Board of Trustees each year. The Board of Trustees must approve the Corporation's budget before it can be enacted.

During the May 15, 2024 FAUFC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2024.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2024-25 FAUFC Operating

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

Phone: 561-297-3134

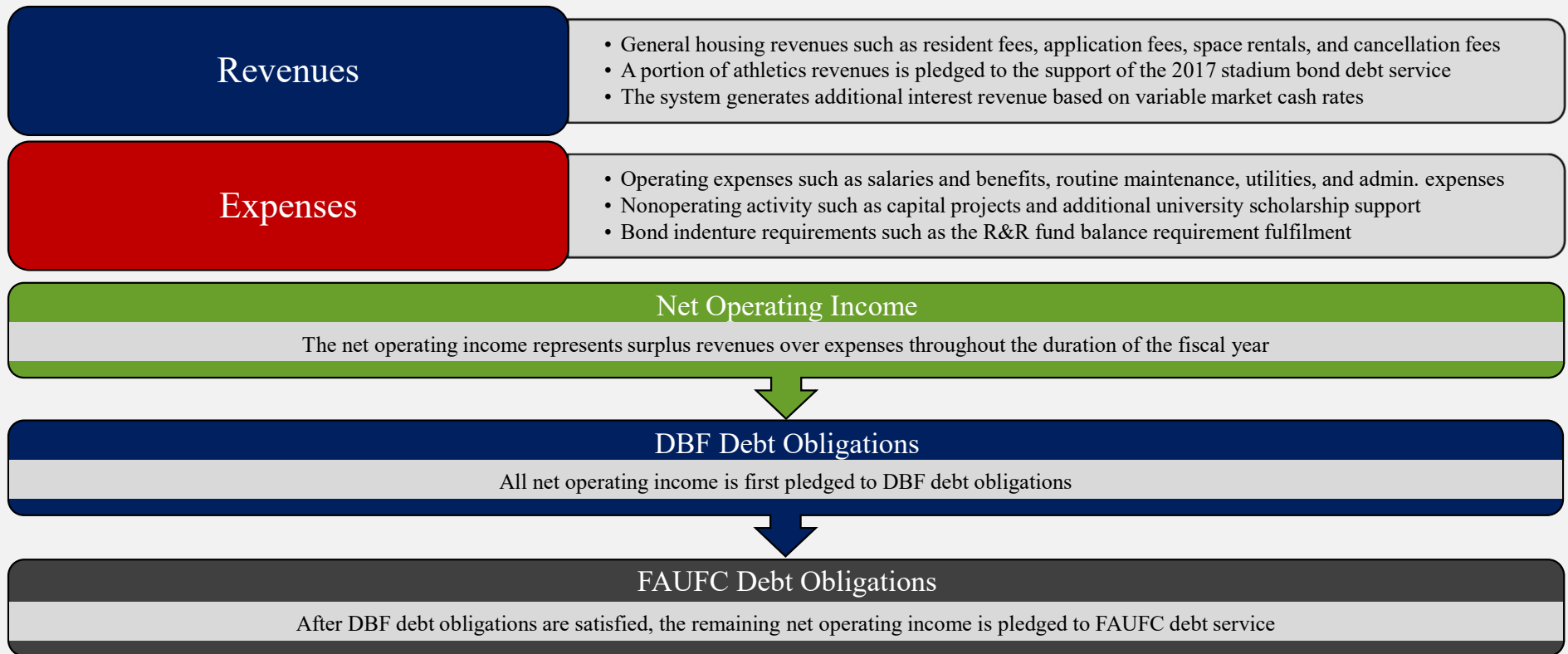


Florida Atlantic University Finance Corporation

Proposed FAUFC Operating Budget Fiscal Year 25

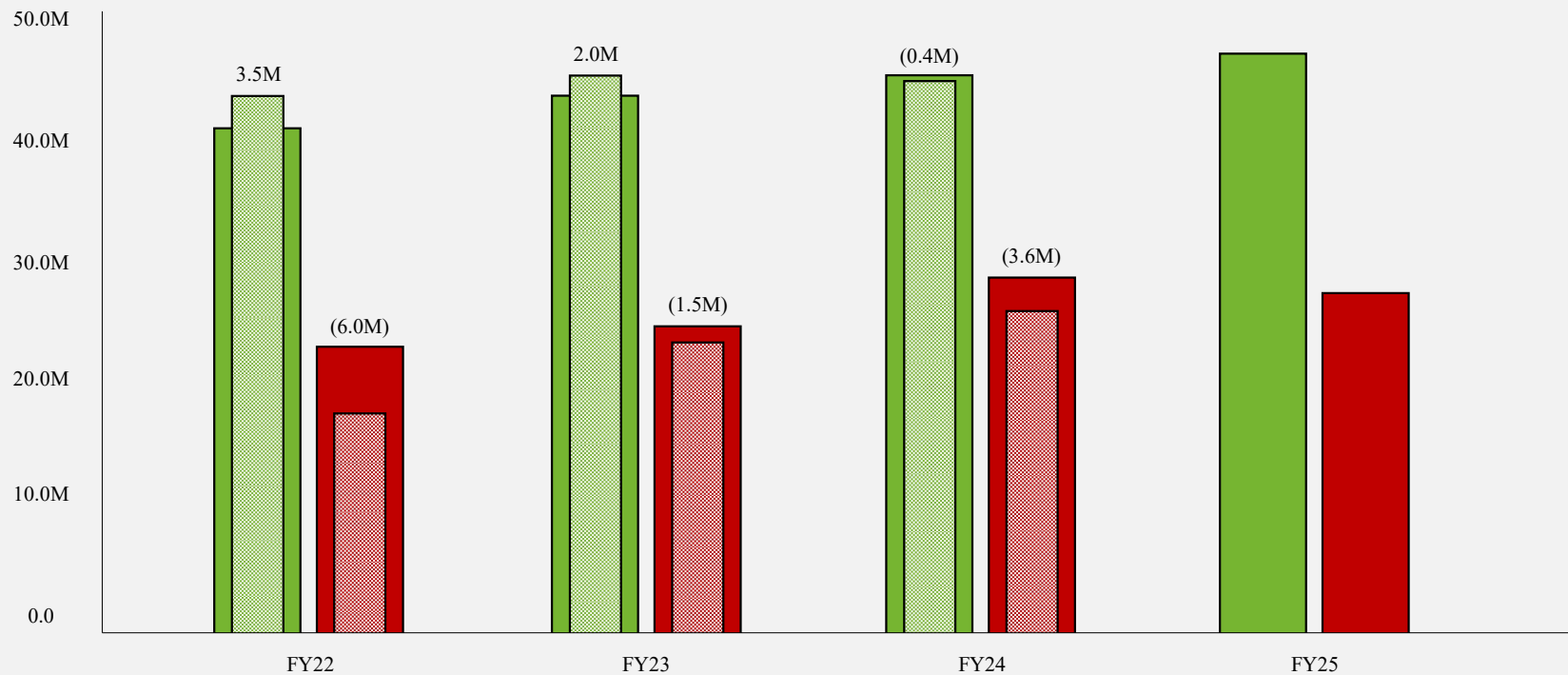
FAU HOUSING FLOW OF FUNDS

SUPPORTING THE SYSTEM



FAUFC FY2022-FY2025 PERFORMANCE

■ Expense Budget
 ■ Expense Actuals
 ■ Revenue Actuals
 ■ Revenue Budget



FY24 Projected Actuals

Data labels indicate surplus or deficit over budget

FAUFC DEBT OBLIGATIONS

FY22-FY25

Housing Debt Service Schedule	FY22 Budget	FY22 Actuals	FY23 Budget	FY23 Actuals	FY24 Budget	FY24 Projected	FY25 Budget
Net revenues over expenses	17,855,488	27,393,685	20,270,213	21,349,206	15,354,724	18,564,669	18,531,582
DBF:							
Principal	(2,460,000)	(2,460,000)	(2,580,000)	(2,580,000)	(2,720,000)	(2,720,000)	(3,565,275)
Interest	(1,853,550)	(1,853,550)	(1,730,550)	(1,730,550)	(1,601,550)	(1,601,550)	(755,275)
FAUFC:							
Principal	(5,810,000)	(5,815,000)	(6,020,000)	(5,825,000)	(5,825,000)	(6,135,000)	(6,453,900)
Interest	(8,899,607)	(8,393,296)	(8,712,732)	(8,395,998)	(8,254,375)	(8,108,119)	(7,757,132)
Total principal	(8,270,000)	(8,275,000)	(8,600,000)	(8,405,000)	(8,545,000)	(8,855,000)	(10,019,175)
Total interest	(10,753,157)	(10,246,846)	(10,443,282)	(10,126,548)	(9,855,925)	(9,709,669)	(8,512,407)
Total debt service	(19,023,157)	(18,521,846)	(19,043,282)	(18,531,548)	(18,400,925)	(18,564,669)	(18,531,582)
Stadium Debt Service	FY22 Budget	FY22 Actuals	FY23 Budget	FY23 Actuals	FY24 Budget	FY24 Projected	FY25 Budget
Athletics operating activity pledged for stadium:							
Revenue	2,357,483	5,270,597	2,359,509	5,330,863	2,357,793	6,571,447	2,360,519
Stadium (FAUFC):							
Principal	(1,435,000)	(1,435,000)	(1,475,000)	(1,475,000)	(1,510,000)	(1,475,000)	(1,555,000)
Interest	(922,483)	(922,483)	(884,509)	(884,509)	(847,793)	(852,426)	(805,519)
Total stadium debt service	(2,357,483)	(2,357,483)	(2,359,509)	(2,359,509)	(2,357,793)	(2,327,426)	(2,360,519)
Additional athletics expenses	-	(1,142,517)	-	(2,469,161)	-	(4,244,021)	-
Surplus available for Finance Corp.	-	1,770,597	-	502,193	-	-	-

Outstanding stadium debt is serviced through pledged athletics revenues

FAUFC FY2025 OPERATING BUDGET

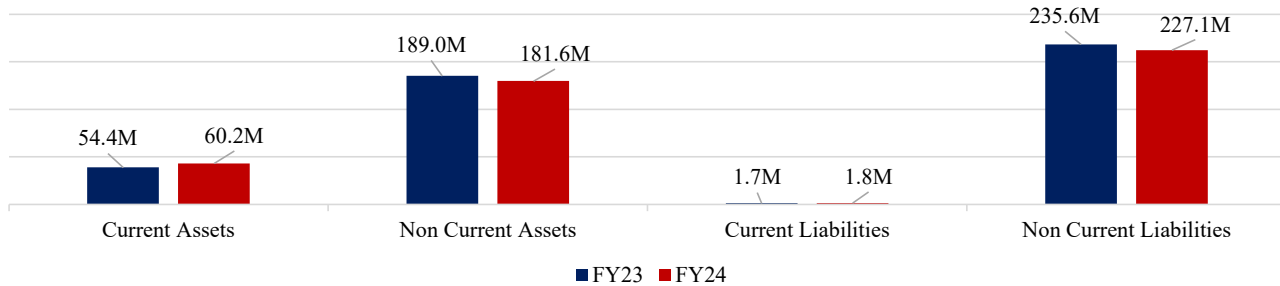
BOT APPROVAL REQUEST

FAUFC FY25 Budget	
Operating revenues (expenses)	
Total housing operations revenues	46,159,341
Housing operations expenses:	
Salaries and benefits	(7,251,734)
Salaries and benefits (OPS)	(2,196,796)
Utilities	(3,055,899)
Repairs and Maintenance	(1,193,750)
Other operating expenses	(7,956,514)
Total housing operations expenses	<u>(21,654,693)</u>
Operating income, net	<u>24,504,647</u>
Nonoperating revenues (expenses)	
Capital projects	(5,538,552)
Interest Income	1,063,731
Other nonoperating expenses (First Gen Students)	<u>(350,000)</u>
Nonoperating expenses, net	<u>(4,824,821)</u>
Reserves	
Renewal & replacement	(1,148,244)
Net revenues over expenses	<u>18,531,582</u>
Pledged athletics revenue	2,360,519

FAU Finance Corporation

Quarterly Financial Report
For Nine Months Ending 03/31/2023

Q3 Balance Sheet Insights



P&L Activity

	Q3 FY24 Actuals	Q3 FY23 Actuals	FY24 to FY23 Variance
Operating Revenues			
Housing Operations Revenues	37,265,312	37,346,868	(81,556)
Housing Operations Expenses	(14,070,300)	(15,386,846)	1,316,546
Depreciations and Amortization Expense	(7,018,647)	(6,793,913)	(224,734)
Operating Income, Net	<u>16,176,365</u>	<u>15,166,108</u>	<u>1,010,257</u>
Nonoperating Revenues (Expenses)			
Athletic Revenues	5,420,246	4,411,032	1,009,214
Interest Income	1,192,719	527,602	665,117
Unrealized Gains (Losses)	1,436,764	2,032,814	(596,050)
Contributions to the University, Net	-	(207,296)	207,296
Other Nonoperating Expenses	-	-	-
Interest Expense	(4,482,589)	(4,643,889)	161,300
Nonoperating Expenses, Net	<u>3,567,140</u>	<u>2,120,264</u>	<u>1,446,877</u>
Net Income	<u><u>19,743,505</u></u>	<u><u>17,286,372</u></u>	<u><u>2,457,133</u></u>

Q3 Operating Revenue

