

**Florida Agricultural and Mechanical University
Board of Trustees**



Budget and Finance Committee
Lawson Center, Tallahassee, Florida
January 8, 2014

Budget and Finance Committee Members:

Trustee Rufus Montgomery, Chair
Trustee Kelvin Lawson
Trustee Kimberly Moore
Trustee Narayan Persaud
Trustee Cleve Warren
Trustee Karl White

I. Call to Order

Agenda

Chairman Rufus Montgomery

Action Items

II. Approval of Minutes – October 2, 2013

Chairman Rufus Montgomery

**III. Approval of Amendments to FY 2013-14
Operating Budget**

Mr. Joseph Bakker

**IV. Special Budget Amendment for the Purchase of
the Centennial Building**

Dr. Ken Redda/Joseph Bakker

**V. Special Budget Amendment for Repayment of
Financial Aid Funds (Tentative)**

Dr. William Hudson/Joseph Bakker

Information Items

VI. Updates

- Fiscal Health of the University
- Government Relations Update
- Update on Upcoming Contracts

Joseph Bakker
Tola Thompson
Joseph Bakker

II. Approval of October 2, 2013 Minutes

**FLORIDA A&M UNIVERSITY
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
GRAND BALLROOM
SUMMARY MINUTES**

October 2, 2013

Committee Members Present: Trustee Rufus Montgomery (Chair); Trustee Kelvin Lawson; Trustee Kimberly Moore; Trustee Narayan Persaud; Trustee Cleve Warren; and, Trustee Karl White.

Others Attending: Trustee Solomon Badger; Trustee Torey Alston; Trustee Glenton Gilzean, Jr.; Trustee Marjorie Turnbull; Trustee Anthony Siders; Trustee Spurgeon McWilliams; Interim President Larry Robinson; Provost Rodner Wright; Attorney Linda Barge-Miles, Attorney David Self, Chief Information Officer Sharon Saunders; Interim Vice President Joe Bakker; Dr. William Featherstone, University Comptroller; W. Rebecca Brown, Interim Assistant Vice President of Administrative Affairs; Byron Williams, Director of Business and Auxiliary Services; Interim Budget Director Ronica Mathis; Interim Vice President Sherrye Earst; Dr. Thomas Haynes; Vice President Ken Redda; Interim Vice President Richard Givens; Director Michael James; Interim Athletic Director Michael Smith; and, Mr. Tola Thompson, Director of Legislative Affairs.

Chairman Montgomery called the meeting to order at 3:38 P.M. Ms. Darlene Garcia was recognized to call the roll. A quorum was established.

Information Items

Fiscal Health of University

The Committee heard from Dr. William Featherstone, University Controller who presented information on this item.

Key points from the presentation are as follows:

Statement of Net Assets

	UNAUDITED <u>(as of 6/30/13)</u>	AUDITED <u>(as of 6/30/12)</u>
Total Current Assets	\$136,234,990	\$172,575,215
Total Non-Current Assets	<u>575,503,947</u>	<u>519,114,993</u>
TOTAL ASSETS	\$711,738,937	\$691,690,208
Total Current Liabilities	\$ 23,033,496	\$ 24,097,374
Total Noncurrent Liabilities	<u>115,638,931</u>	<u>69,791,083</u>
TOTAL LIABILITIES	\$138,672,427	\$ 93,888,457
TOTAL NET ASSETS	\$573,066,510	\$597,801,751
TOTAL LIABILITIES AND NET ASSETS	\$711,738,937	\$691,690,208

Statement of Revenues, Expenses & Changes in Net Assets

	UNAUDITED <u>(as of 6/30/13)</u>	AUDITED <u>(as of 6/30/12)</u>
Total Operating Revenues	\$ 128,654,762	\$ 141,656,297
Total Operating Expenses	<u>271,283,421</u>	<u>275,990,590</u>
TOTAL ASSETS	\$(142,628,659)	\$(134,334,293)
Net Operating Revenues (Expenses)	\$ 116,904,224	\$ 135,853,368
Total Other Revenues, Expenses, Gains or Losses	\$ <u>989,194</u>	\$ <u>2,298,716</u>
Increase/Decrease in NET ASSETS	\$ (24,735,241)	\$ 3,817,791
NET ASSETS (Begin Period)	\$ 597,801,751	\$ 593,983,960
NET ASSETS (End Period)	\$ 573,066,510	\$ 597,801,751

Fiscal Update on 800-Bed Residence Hall

The Committee heard from Mr. Kendall Jones, who presented an update on this item. Mr. Jones stated that the project is 50% and within budget currently. All of the components of the project are under contract with the exception of Furniture and Equipment. The Furniture bid package is due to the University 10/3/13 and is expected to be within budget.

Key points from the presentation are as follows:

- 50% complete and within budget of \$53.6 million
- Storm water drainage system and sanitary system installation ongoing
- Excavation of detention pond (SE end of site) in progress
- Vertical construction is near completion
- Installation of hollow core planks 100% complete
- Installation of exterior windows in progress on floors 1-4
- Waterproofing application in progress
- Mechanical, electrical, plumbing & fire protection rough-in progress
- Drywall framing & installation of interior doors in progress
- Site infrastructure extension continues with installation of chilled water lines and installation of gas lines by the City of Tallahassee

Athletics Update

The Chairman commented that he has had conversations with Mr. Smith, Mr. Bakker and others and a question seems to arise from a governance perspective, regarding the Board's vision for the Athletics Department. The Department has been asked to balance the budget and to reduce the deficit that has accumulated over a number of years. It is very difficult to achieve these goals if there is no clarity and agreement on a vision for the Department. The Chairman encouraged the Board to clearly articulate a vision for the Athletics Department.

The Committee heard from Mr. Michael Smith, Interim Athletic Director, who gave an update on the Athletics program.

Mr. Smith stated that in general, the Intercollegiate Athletics Program was being geared to win, both scholastically and athletically. The four cornerstones for achieving athletic success are: Institutional Control, Academic Excellence, Fiscal Integrity and Winning Championships.

Mr. Smith reminded the Board that at the August 8th Full Board meeting, he informed the Board that an external assessment was being initiated. The purpose of the assessment is to provide benchmarking and comparative best practices that will assist with establishing measurable and obtainable objectives. The recommendations will further assist the department in achieving success, both academically and athletically. The assessment is being conducted by Collegiate Consulting (CC) represented by Mr. Russell Wright who presented an executive summary of the activities to date. His summary included comments on:

- External Revenue
- Best Practices
- Peer comparison (SWAC, MEAC and 7 other Institutions outside of these two (2) conferences)
- Athletic Department Structure
- Facility (Stadium) – looked at revenue being left on the table, recruiting based on the facilities, luxury seating, attendance

Mr. Wright stated that CC has met with multiple stakeholders (institutional, athletics, community, City Manager, and the Chamber of Commerce). Focus groups including students, season ticket holders, donors who are not season ticket holders, a corporate partner were set up. One-on-one interviews were also conducted.

CC also looked at the landscape of Inter-collegiate Athletics. And stated that there was a need for FAMU to be able to dictate where it wants to go rather than have circumstances dictate where it ends up.

CC further indicated that Fund Raising, Corporate Sponsorships, Ticket Sales, and Licensing all need improvement and shared about possible opportunities.

For facilities, CC's recommended the following:

- New Field House
- Stadium with Premium Seating (suites and club seating). This is truly where the revenue comes from.
- Priority Seating (donation attached to a seat on top of ticket price). You see this in Division 1. We want to implement this here.
- Staffing (back-filled positions that need to be filled). With regards to the HBCUs, your staffing is right in line. The area that concerns us the most is that you are one person short on the compliance side.

Chairman Montgomery requested that the image of the Alabama State University Stadium be displayed on the screen to show what the competition looks like.

Continuing, Mr. Wright stated that the stadium was funded with a partnership with the State and also some assistance from the City of Montgomery. He also mentioned the possibility of some funding from federal sources and indicated that it would cost \$30-40 million to renovate the stadium. Such funding would require creative ways for financing and partners would have to be found.

Mr. Smith continued the presentation by stating that while preparing for the future success of FAMU Athletics, the following successes have occurred in the first 100 days.

- Balanced the 2012/13 FY Budget
- Implemented corrective actions related to audit findings
- Increased football ticket sales by 10% over this year's projection to date
- Contracted 71% of 2013/14 projected corporate sponsorships
- Initiated facility enhancements on two of our competition fields and two practice fields
- Increased exposure of FAMU Athletics
- Collaborated with various University allies for enhancing and strengthening the departments operations.

Mr. Smith further stated that in the spirit of continuous improvement, an action plan is being developed for the next 100 days. This plan will focus on three major areas within the athletics program - student welfare, compliance, economics. Mr. Smith also mentioned that Student Athlete Experience, Human Resources, Resource Acquisitions, and Facilities Upgrades will be emphasized.

Mr. Smith concluded by stating that the Athletics Department's goal is to end the current fiscal year in the black again.

Governmental Relations Overview

The Committee heard from Mr. Tola Thompson, Director of Legislative Affairs to summarize ongoing efforts.

The Chairman began by stating that he has asked on multiple occasions for a summary of ongoing efforts by Governmental Relations. At the last meeting a request was made for a summary of questions, answers, and requests for information on everything that this Board asked for over the last two years. He continued by stating that he takes the lack of response as an insult to the Board. He stated that he was going to ask for one last time for this and would like to have it in writing within a week. The Chairman then said that he was directing his request to Dr. Robinson and would make a motion if that is necessary.

The Chairman also stated that he was disappointed to hear that the Senator who represents FAMU dropped a bill that would be very detrimental to FAMU. What was the stance of our Governmental Affairs office? Why would our own Senator put a bill in that would be harmful to one of his largest constituents? Did we talk to the Senator? Did we have a heads up? Why would someone file a bill that shows us as negligent, states disparaging things about FAMU and puts us in a horrible posture? Did anyone know about this before the bill was filed? Did we engage the Senator?

The Chairman also requested the following of Mr. Thompson:

- Summary of everything this Board has asked for over the last 2 years in writing within one week;
- copy of the form that he sent to the Board Members asking them to identify who they knew, completed by him listing who he knows;
- Professional documents without errors in the future.
- Things that have specifically added value through his efforts?
- Things done to specifically to advance the cause of FAMU since the last Board meeting?
- What he needs with respect to direction?

The Chairman stated that he has asked for this information meeting after meeting and It is an insult to the Board to still not have the information. The Chairman further stated that as the Chairman, he was putting his request in the form of a motion to direct Mr. Thompson to comply and he was directing the request through Dr. Robinson. The Chairman then stated that he would like to have the questions answered by 10/11/13.

Mr. Thompson then continued his remarks began by stating that he was next going to respond several requests from the August 8th Board meeting.

- Invite Legislative Decision Makers to the FAMU campus:
 - The Senate President, House Speaker, as well as all substantive Legislative Committee Chairs were invites (letters sent out on August 12th). Speaker Will Weatherford has confirmed and is visiting the campus on November 4th. The BOT members will be sent detailed information on this visits. Ongoing conversations have been held with the other legislative decision makers to lock in dates for their visits prior to the start of the Legislative Session.
 - The local U.S. Representative, Steve Southerland, attended FAMU's annual Grape Harvest Festival and his planned one hour visit actually lasted three hours.

- Report on status as to how we engage people that make decisions in the Legislative process
 - Mr. Thompson stated that he continued to engage, in a proactive way, with Legislative Staff members to identify potential issues that affect the University.
 - Mr. Thompson stated that he also provides information from the University's perspective on current or potential Legislative proposals and identify opportunities.

- Report on what has been done to make the University more effective in the Legislative process
 - In August a Trustee Engagement Form was sent to all BOT members to identify relationships they may have with legislators. This form was designed to help determine where relationships exist and how each of BOT member would best like to be engaged.
 - The final touches are being put to the University's new eAdvocacy web portal. which will allow alumni, staff, students and others to sign up for e-mail Action Alerts and allow them to find and communicate with their Legislators.
 - The first State Capitol Report is available by e-mail now and and by hard copy.
 - Legislative Priorities are now on the website.

- Written summary of the Legislative Plan Detail and Successes this past year and over the summer
 - A tactical plan exists; however, with the new outside consultant, it was felt that it would be more prudent to get his input on providing a more detailed

strategy for the coming year. We will provide the plan to you within the next 7 days.

Contracts over \$100,000

The Chairman asked if there had been any contracts over \$100,000 approved since the last Committee meeting. Ms. Stephany Fall stated that Dining Services and the Financial System Upgrade are action items on the agenda today and there are no other contracts over \$100,000.

Action Items

Approval of Minutes – August 7, 2013

Chairman Montgomery asked for approval of the minutes for August 7, 2013. Trustee Lawson made a motion to approve the minutes and it was seconded by Trustee White. The motion carried.

Approval of Amendment to BOT Policy 2005-2 – Financial/Budget Administration Policy

The Committee heard from Mr. Joseph Bakker, Interim Vice of Administrative and Financial Affairs. Mr. Bakker stated that at the May Budget and Finance Retreat, it was requested that all policies be reviewed and updated. One of those policies is BOT Policy 2005-2 the Financial/Budget Administration Policy. It deals with quarterly reports and the University was not in compliance with that policy. Mr. Bakker further stated that an amendment is being proposed to reduce the number of quarterly reports from four reports to three much more meaningful reports. The Quarterly Reports required in current Policy are:

- University Account Detail
- University Account Summary
- Outstanding Encumbrances
- Report of the investment and reinvestment of University funds

The proposed Quarterly Reports are:

- Statement of Net Position (Balance Sheet)
- Budget Status Report by Division
- Report of the investment and cash balances of University funds

Trustee White made a motion to approve the amendments to BOT Policy 2005-2 and it was seconded by Trustee Warren. The motion carried.

Approval of PeopleSoft Financial Management Systems Upgrade

Next Mr. Michael James, Interim CIO was recognized to present this item. He stated that at the last Board Meeting the EIT division expressed its intent to secure a contract with CedarCrestone to upgrade their iRattler PeopleSoft Financial Management System from version 9.0 to version 9.2. As stated in the previous meeting, this contract is valued at approximately 1.2 million dollars with a contract period of 9 months.

The new release of this application has several enhanced features such as a newly designed Work Center which will allow users to increase productivity by consolidating user tasks, exceptions, alerts, links, reports, and queries into a single, secure, role-based, cockpit style “command center” that can be personalized via end-user configuration. New embedded, real-time, multi-dimensional decision support analysis capabilities enabled by Pivot Grids. Beyond the lower total costs realized from the reduced need for customization due to the more than 1,000 new features, functions, and enhancements in PeopleSoft Financials 9.2, this release makes significant strides in addressing many of the components that affect the total cost associated with enterprise software ownership.

Mr. James then shared that the Oracle support of the current PeopleSoft Financial System 9.0 expires in 2014. The requested upgrade will keep the University in compliance and significantly reduce the costs of staying current with maintenance of the PeopleSoft application.

Trustee Warren made a motion to approve the approval of the PeopleSoft Financial Management System Upgrade and it was seconded by Trustee Moore. The motion carried.

Approval to Enter into a Contract for Dining Services

The Committee heard from Mr. Byron Williams, Director of Business & Auxiliary Services presented information on this item who reported the following:

As requested by the Board, the University contracted with two consulting firms, the Rochelle Group and Tom Britten and Associates, to assist with the dining services solicitation process. These firms were highly recommended by peer associations and both have nationwide experience with dining services for educational clients. The University has worked and is working closely with the two firms. They have assisted with: (a) preparing the RFP; (b) providing training for University’s evaluation team; and (c) reviewing and evaluating the RFP responses. The consultants will continue to assist in the negotiations and contract preparation with the successful proposer. Added value has been gained from their knowledge and expertise of industry standards as follows:

- Global Scope 1 (GS1 system) – tracks food products from the farm or manufacturer to the user. The consultant brought this to our attention.
- Rebates – Food Service providers get rebates from Food Providers. These rebates are never shown on any profit/loss statement. We brought that up to get the Food Service providers to get them to show us what the profit was.

Mr. Williams also stated that the firms were contracted for a total of \$67,000 He then listed the following key points concerning the RFP:

- The RFP listed four priorities:
 1. The first and foremost priority of FAMU food service operations is the food itself. This priority encompasses the quality of the food, the variety of the food being served, the choices offered by multiple locations on campus, customer service, competitive price/value, the ability of the vendor to replace and/or rotate food concepts in a timely manner to keep the food service fresh and up-to-date, and to reflect customer preferences.
 2. The second priority is upgrading the food service facilities. The food service partner will be expected to contribute design services for the facility, and/or possibly a

financial contribution for food service facility renovations/ new additions. The successful proposer is expected to maintain clean and attractive food service facilities at all locations.

3. The third priority is the financial package of the food service contract. This package should be some combination of company investment and commission to FAMU in order to provide the high quality campus dining service desired by FAMU. Commissions should be clearly stated as a percentage of total revenues and a minimum annual guarantee. It is essential that the financial package be structured such that the investment/commission is not too heavily front-loaded so that there will be funds available for reinvestment in the dining program throughout the life of the agreement. Companies submitting a response should be prepared to offer a total financial package that meets the University needs over the life of the agreement.
4. The fourth priority is providing a smooth transition.
 - Four (4) Vendor Responses were received
 - The Evaluation Team Ranked Vendors as follows:
 1. Aramark
 2. Metz Culinary Management
 3. Sodexo
 4. Gourmet Services
 - The University, with help from its consultants, is negotiating with the top two ranked vendors to select the provider who will best meet the needs of the University. Both consultants concur that either of the two vendors is capable of meeting the University's priorities and concur that negotiating with two consultants provides a better platform from which the University can achieve its contractual objectives. Negotiations are expected to be concluded by October 18.
 - The contract with the successful vendor will commence 1/2/2014 for 5 years (with an option to renew for an additional 5 years).

After much discussion, Chairman Montgomery, with consensus of the Trustees, tabled this action item until the Full Board meeting the next day.

There being no further business, the meeting adjourned at 6:09 P.M.

Rufus Montgomery
Committee Chairman

Transcribed by:
Darlene W. Garcia

**III. Approval of Amendments
to FY 2013-14 Operating
Budget**



Florida Agricultural and Mechanical University
Board of Trustees Action Item

Meeting Date January 8-9, 2014

Agenda Item _____

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment X Change Order _____
Resolution _____ Contract _____ Grant _____ Other _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: Approval of Amendments to the FY 2013-14 Operating Budget

Rationale:

1. Subsequent to the Board of Trustees' (BOT) approval of the FY 2013-14 operating budget, the following additional \$2,233,992 from General Revenue appropriated by the legislature, were made available to the University.

- **\$40,020 for FRS health care subsidy (SUS Allocation Amendment #2):** This addition is a recurring increase to the university's base funding for the health subsidy component of FRS blended retirement rates for employers was increased effective July 1, 2013. (*Senate Bill 1810, SUS Allocation Amendment #2*).
- **\$1,297,107 for Salary Increases for E&G Employees (SUS Allocation Amendment #3)** – This addition, effective October 1, 2013, was provided to grant each eligible E&G employee of the State University System a competitive pay adjustment. This adjustment is a recurring addition to the university's base funding. (*2013-14 General Appropriations Act, SUS Allocation Amendment #3*).
- **\$27,300 for Salary Increases to Graduate Assistants (SUS Allocation Amendment #4)** – This addition, effective October 1, 2013, was provided to grant each eligible E&G employee of the State University System a competitive pay adjustment. This adjustment is a recurring addition to the university's base funding. (*2013-14 General Appropriations Act, SUS Allocation Amendment #4*).
- **\$869,565 for Performance-based Funding (SUS Allocation Amendment #5)** - \$20,000,000 in general revenue funds were allocated to the Board of Governors for distribution to the state Universities based on the percentage of graduates employed or enrolled in further education, the average wages of employed graduates, and the average cost per graduate. This additional funding is non-recurring. (*2013-14 General Appropriations Act, SUS Allocation Amendment #5*)

2. **\$154,209 Reduction in the Tuition Differential Carry Forward Budget-** As a result of the adjustments made during the financial statement preparations, the



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available funding from Carry Forward for Tuition Differential has been reduced. This amendment reduces the budget accordingly.

3. \$750,000 Addition to the Activities and Service (A&S) Fees Carry Forward Budget (Fund 117) - As provided by the Florida Statutes 1009.24 (10)(b), unexpended funds remaining at the end of a fiscal year shall be carried over and remain in the A&S fund and be available for allocation during the next fiscal year. The University's financial statements indicate that the additional actual carry forward for the A&S fund is \$750,000. This amendment increases the budget accordingly.

4. \$365,842 Addition to the Budget of the Auxiliary Trust Fund (Fund 116) to accommodate the New Dining Services Contract - At its meeting on October 29, the BOT approved a new dining services contract to be effective from Spring 2014. The new contract includes revenues and expenditures that are different from those projected for the previous contract. The new contract includes the receipt of more in cash revenues and **less** in in-kind services. The additional amount is \$365,842 and is reflected in items 1 and 2 in the attachment "Additional Budget Request for Dining Services".

5. \$255,000 - Addition to the Budget of the Auxiliary Replacement and Repair Fund (Fund 603) - Also, the University is using this period of change in dining services providers to replace and repair the dining services equipment that is in poor condition. The \$255,000 requested for this budget amendment will be added to the Auxiliary Replacement and Repair Fund's (603) budget - (See attached "FY 2013-14 Revised Operating Budget and Amendment Requests ")

A copy of the revised Operating Budget with the above amendments is attached.

Recommendation: It is recommended that the Board of Trustees approves the above amendments to the FY 2013-14 Operating Budget.

Attachments:

- FY 2013-14 Revised Operating Budget and Amendment Requests - 01/09/14
- Additional Budget Request for Dining Services (Fund 116)

Prepared By: Budget Office

Approved By: Joseph Bakker



Florida Agricultural and Mechanical University
Board of Trustees Information Item

Meeting Date: January 09, 2014

Agenda Item: Attachment for Operating Budget Amendments

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
Resolution _____ Contract _____ Grant _____ Other

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Attachment: Additional FY 13-14 Budget for Dining Services

Description	Amount
1. Commissions – to be used for scholarships, catering, bond/investment/operational reserves	\$265,842
2. Metz Family Foundation Donation - to be used for scholarships	\$100,000
Total Additional Budget Request	\$365,842

**IV. Special Budget Amendment
for the Purchase of the
Centennial Building**



**Florida Agricultural and Mechanical University
Board of Trustees Action Item**

Meeting Date January 08-9, 2014

Agenda Item _____

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
 Resolution _____ Contract _____ Grant _____ Other X

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: FINANCING FOR ACQUISITION OF THE CENTENNIAL BUILDING

Rationale: At the Board of Trustees (BOT) meeting of August 7, 2013, the BOT authorized the President to negotiate with the Leon County Research and Development Authority (LCRDA) for the acquisition of the Centennial Building and other lands located Innovation Park (Park). The BOT also directed the President look into securing financing for the acquisition of Centennial Building which will have an acquisition cost of approximately \$2.8 million.

The Board of Governors (BOG) has accepted the University's request to have the building provisionally placed in the University's inventory. With this provisional placement, there is a high probability that the University will start receiving funding from the state for utilities and maintenance costs for the building July 01, 2014, if the building is acquired as planned. The BOG's calculation indicates that the funding will be \$732,038 per year on a recurring basis.

The University has evaluated the options for financing the acquisition of the Centennial Building and has concluded that the use of internally generated funds would be the best option.. The use of internally generated funds will save the University approximately \$700,000 in interest payments and will improve the probability of getting state funding (\$732,038) one year earlier - July 1, 2014. External financing options will have to be approved by the Board of Governors and will result in state funding becoming available July 1, 2015. Attached is a comparison between the use of internal and external funds for the acquisition. The internally generated funds will come from unrestricted auxiliary funds and their use will have no adverse impact on either the existing or future operations of the University. The internally-generated funds used for the acquisition will be repaid within nine years with the lease payments currently being paid to the LCRDA.

With respect to the land acquisition, the University and the LCRDA are now in the process of preparing the applications to the State to have the lands reassigned from the LCRDA to the University.

The University is making every effort to the secure the funding from July 1, 2014. The required time line is as follows:

1. Approval of the use of internal financing for the acquisition of the building by the BOT – **01/09/14**
2. Approval of the reassignment of the land by the State – **02/28/14**
3. Approval of the contract for the acquisition of the Centennial building by the **BOT - 03/14/14.**



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4. Notification of the BOG and legislature that the University is the owner of the Centennial Building -
03/10/14
5. Legislative appropriation of funds for the utilities and maintenance of the building effective -
07/1/14

Recommendation: That the BOT, approves an amendment to add \$2.8 million to the budget for the Auxiliary Trust Fund for the purpose acquiring the Centennial Building, should the acquisition be approved.

Attachments: "Updated Feasibility Summary for Centennial Building Acquisition"
"Amended FY 2013-14 Operating Budget 01-09-14(b)"

“Updated Feasibility Summary for Centennial Building Acquisition”

	Current	Proposed (Internal Financing)	Proposed (External Financing)	Comment
Approximate Acquisition Cost	Not Applicable	\$2,800,000	\$2,800,000	
Lease/Loan Payments				
Remaining Lease Term (months)*	153	Not applicable	Not applicable	
Loan Repayment Period (months)	Not applicable	108	135	Closing in March 2014
Annual Lease payment *	\$310,306	Not applicable	Not applicable	
Annual Loan Repayment	\$0	\$310,306	\$310,306	External financing @ 4%
Lease/loan payments to end of existing lease	\$3,956,402	\$2,800,000	\$3,490,943	
Annual Expenses				
Annual Repair, Maintenance, and Operating Costs	\$256,320	\$340,000	\$340,000	For loans - repair reserve included
Total Expenses to end of lease	\$3,268,080	\$4,335,000	\$4,335,000	
All payments to end of lease.	\$7,224,482	\$7,135,000	\$7,825,943	
Annual Revenues for Building				
Division of Sponsored Research Grants	\$310,306	\$310,306	\$310,306	
State of Florida Grant	\$256,320	\$256,320	\$256,320	
State of Florida Maintenance (if property owned by FAMU)**	\$0	\$732,038	\$732,038	**Funds start 7/1/14 with internal financing and 7/1/15 with external financing
Total Annual Revenues	\$566,626	\$1,298,664	\$1,298,664	
All Revenues to the end of the lease	\$7,224,482	\$16,557,966	\$15,825,928	
NET GAIN BY THE UNIVERSITY TO END OF LEASE	\$0	\$9,422,966	\$7,999,986	

* \$310,308 through 12/21/26 and \$26,105 thereafter

**V. Special Budget Amendment
for Repayment of Financial Aid
Funds (Tentative)
(to be provided at a later date)**

VI. Information Items

VI. (a) Financial Health of the University



**Florida Agricultural and Mechanical University
Board of Trustees Information Item**

Meeting Date: January 09, 2014

Agenda Item: Information Item for College of Law Bar Prep Fee

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
 Resolution _____ Contract _____ Grant _____ Other X _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: Financial Health of the University – Summary

Education and General

The University's Education and General funds are sound financial health!

Beginning Reserves: At the beginning of FY 13-14 the University had approximately \$22 million in Educational and General (E&G) uncommitted reserves (including the statutorily-based requirement of approximately \$8.2 million reserve).

FY 13-14 Available Funding: For FY 13-14, E&G allocation from the state was restored to FY 11-12 levels after being cut by \$19.85 million in FY 12-13. In view of the anticipated decline in enrollment, the tuition portion of the E&G revenues was expected to decline. As such the University prepared its FY 13-14 budget on the basis of an 11,000 headcount enrollment for Fall 2014. The actual Fall headcount was 10,744. This will result in a revenue shortfall of approximately \$1.5 million. A portion of this shortfall has been offset by \$869,565 received from the performance-based funding allocated by the legislature. Unfilled vacancies will yield more than enough savings to cover the remainder of the shortfall.

Outlook for the rest of F13-14: With continued prudent budget management, it is anticipated that the uncommitted reserves at the end of the fiscal year will show a small increase, if no significant budget amendments are made. This

Auxiliaries

The University's Auxiliary Trust Fund is also in sound financial health!

Uncommitted Reserves: At the beginning of FY 13-14 the University had approximately \$20 million in uncommitted reserves in its Auxiliary Trust Fund which comprises all of the auxiliaries except Housing and Athletics. It is anticipated that this reserve will decrease by approximately \$2 million by the end of this fiscal year if the proposed Budget amendment to fund the purchase of the Centennial Building from the Auxiliary Trust Fund is approved. Such a decrease will have no adverse impact on the operations of any of the associated auxiliaries. The Housing Department had an uncommitted reserve of over \$5 million at the beginning of the fiscal year. That uncommitted reserve is expected to decline to approximately \$3.3 million by the end of the year. The decrease is a result of the one year delay in the opening of the 800-bed



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Board of Trustees Information Item

residence hall. The Athletics deficit which was approximately \$7 million at the beginning of the year is of concern and will be discussed will be discussed separately.

Attached is the Quarterly Financial Report

Attachment:

1. *Quarterly Financial Report*

**FLORIDA A&M UNIVERSITY
FINANCIAL REPORT
For Board of Trustees Meeting - January 09, 2014**

This report is submitted in accordance with the requirements of BOT Policy 2005-02 which requires the University to submit the following quarterly reports:

- *Statement of Net Position (Balance Sheet) and Statement Revenues, Expenses, and Changes in Net Position.*
- *Report of the investment and cash balances of University funds.*
- *Budget Status Report by Division showing salaries and other expenditure activities for the quarter and year-to-date totals by object of expenditure.*

1. STATEMENT OF NET POSITION (BALANCE SHEET) AND STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET POSITION.

The following overview provides the financial position and results of operation for the 1st quarter ended September 30, 2013. The overview includes comparisons of the Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position for the periods ended September 30, 2013 and June 30, 2013. The statement of net position shows the assets, liabilities, and net position of the University. Net position equals assets less liabilities, which is one indicator of the University's current financial condition. The statement of revenues, expenses and changes in net position presents the University's revenue and expense activity.

SUMMARY

Based on the results of the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position for the period ended September 30, 2013, the University's financial position remains sound.

ASSETS

As of September 30, 2013, the University's assets totaled \$725.9 million. This balance represents a \$14.1 million or 2 percent increase as compared to June 30, 2013. Total assets are comprised of current assets of \$152.4 million and noncurrent assets of \$573.5 million. Assets consist primarily of cash, investments, accounts receivable, receivable due from State, and depreciable capital assets.

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Due From State Receivable

As of September 30, 2013, the due from State receivable decreased \$964 thousand or 3.4 percent. The \$27.2 million receivable represents allocations due the University from Public Education Capital Outlay (PECO) allocations to fund campus construction projects.

Noncurrent Assets

Noncurrent assets decreased \$1.4 million as of September 30, 2013. The \$573.5 million balance is comprised primarily of net depreciable capital assets totaling \$465.3 million. This amount decreased \$2.8 million, less than 1 percent, at September 30, 2013 as compared to June 30, 2013.

LIABILITIES

The University's liabilities totaled \$131.4 million as of September 30, 2013. Total liabilities are comprised of current (\$14.8 million) and noncurrent (\$116.6 million) components. This balance represents a decrease of \$8.9 million or 6.4 percent as compared to June 30, 2013.

NET POSITION

For the period ended September 30, 2013, the University's net position totaled \$594.5 million. As presented in Table 1, this balance reflects an increase of \$23 million or 4 percent when compared to June 30, 2013. The increase is primarily due to increases in the capital assets fund (\$6.2 million) and unrestricted fund (\$21.7 million). The increases are partially offset by a decrease in the capital projects fund (\$4.9 million).

**FLORIDA A&M UNIVERSITY
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For Board of Trustees Meeting - January 09, 2014**

FUND	UNAUDITED AS OF SEPTEMBER 30, 2013	UNAUDITED AS OF JUNE 30, 2013	INCREASE (DECREASE) NET ASSETS
Capital Assets	\$471,310,143	\$465,108,843	\$6,201,300
Debt Service	\$4,677,258	\$4,677,258	(\$0)
Loans	\$2,218,963	\$2,136,447	\$82,516
Capital Projects	\$31,945,790	\$36,809,342	(\$4,863,552)
Other Restricted	\$0	\$0	\$0
Unrestricted	\$84,328,974	\$62,677,948	\$21,651,026
Total	\$594,481,128	\$571,409,838	\$23,071,290

Table 1: Comparative analysis of net assets balances as of September 30, 2013 and June 30, 2013. *Source: iRattler.*

The increase of \$1.3 million in the net position of capital assets and capital projects (\$6,201,300-\$4,863,552) is primarily due to fixed asset additions and spending to fund construction projects. The \$21.7 million increase in unrestricted net assets reflects tuition and fee revenues recorded for the Fall semester (August – December). However, expenditures are reported for the 1st quarter of the fiscal year (July – September). Thus, the increase in unrestricted fund balance for the period ending September 30, 2013, is the result of timing (recognition of expenditures) rather than an improvement in financial performance. Revenues and expenditures do not have a uniform flow throughout the year. Still, according to recent budget projections, management anticipates the University will end the fiscal year with a moderate increase to the unrestricted fund balance. Management will continue to review and update this forecast as the year progresses.

REVENUES AND EXPENSE

For the period ended September 30, 2013, operating revenues totaled \$59.9 million. This amount is offset by tuition allowance of \$8.6 million, resulting in net operating revenues of \$51.3

FLORIDA A&M UNIVERSITY
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million. Net nonoperating revenues totaled \$35 million which consists primarily of State appropriations (\$22 million), federal and state student financial aid (\$9.6 million), and noncapital grant, contracts, and gifts (\$3.2 million). Accordingly, revenues totaled \$86.3 million for the period. Operating expenditures of \$63.2 million comprised compensation and employee benefits (\$35.4 million), services and supplies (\$10.2 million), utilities and communications (\$3.5 million), scholarships, fellowships and waivers (\$9.6 million), and depreciation (\$4.5 million). Expenditures for the period ended September 30, 2013, were approximately 23 percent of expenditures reported at June 30, 2013 which is consistent with spending patterns of 25 percent of the fiscal year (3mos. ÷ 12mos.).

FLORIDA A&M UNIVERSITY
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FLORIDA A&M UNIVERSITY
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2013 AND JUNE 30, 2013

	UNAUDITED	UNAUDITED
	As Of	As Of
	September 30, 2013	June 30, 2013
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 29,696,582	\$ 12,033,642
Investments	66,691,240	75,337,531
Accounts Receivable, Net	27,660,267	20,231,302
Loans and Notes Receivable, Net	28,701	28,901
Due From State	27,234,964	28,199,421
Inventories ¹	447,751	447,751
Other Current Assets ¹	601,060	601,060
Total Current Assets	<u>152,360,565</u>	<u>136,879,608</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	11,752,571	9,779,231
Restricted Investments	41,247,899	50,754,522
Loans and Notes Receivable, Net	2,231,434	2,200,534
Depreciable Capital Assets, Net	465,255,582	468,059,744
Nondepreciable Capital Assets	53,011,805	44,065,298
Total Noncurrent Assets	<u>573,499,291</u>	<u>574,859,329</u>
TOTAL ASSETS	<u>725,859,856</u>	<u>711,738,937</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	907,516	5,799,730
Construction Contracts Payable ¹	-	3,825,890
Accrued Salaries and Wages Payable	2,154,089	2,187,974
Deposits Payable	4,780,859	1,261,863
Due to State ¹	110,486	110,486
Unearned Revenue ¹	1,432,120	5,007,179
Long-Term Liabilities - Current Portion:		
Capital Improvement Debt Payable	3,289,000	3,289,000
Loan and Notes Payable	-	83,334
Capital Leases Payable	694,209	753,164
Compensated Absences Payable ¹	1,424,401	1,424,400
Total Current Liabilities	<u>14,792,680</u>	<u>23,743,020</u>
Noncurrent Liabilities:		
Capital Improvement Debt Payable ¹	71,609,324	71,609,324
Capital Leases Payable ¹	13,909,652	13,909,652
Compensated Absences Payable ¹	19,070,545	19,070,575
Postemployment Health Care Benefits Payable ¹	9,747,000	9,747,000
Other Noncurrent Liabilities ¹	2,249,528	2,249,528
Total Noncurrent Liabilities	<u>116,586,049</u>	<u>116,586,079</u>
TOTAL LIABILITIES	<u>131,378,729</u>	<u>140,329,099</u>

**FLORIDA A&M UNIVERSITY
FINANCIAL REPORT
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NET POSITION		
Invested in Capital Assets, Net of Related Debt	471,310,143	465,108,843
Restricted:		
Expendable:		
Debt Service	4,677,258	4,677,258
Loans	2,218,963	2,136,447
Capital Projects	31,945,790	36,809,342
Unrestricted	<u>84,328,973</u>	<u>62,677,948</u>
Total Net POSITION	<u>594,481,127</u>	<u>571,409,838</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 725,859,856</u>	 <u>\$ 711,738,937</u>

NOTES:

¹ Balances are adjusted annually as part of the year-end audit process.

**FLORIDA A&M UNIVERSITY
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**FLORIDA A&M UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AS OF SEPTEMBER 30, 2013 AND JUNE 30, 2013**

	UNAUDITED For the Period September 30, 2013	UNAUDITED For the Period June 30, 2013
OPERATING REVENUES		
Student Tuition and Fees	\$ 39,851,487	\$ 94,411,330
Less: Scholarship Allowances	(8,636,927)	(34,547,709)
Student Tuition and Fees, Net of Scholarship Allowances	31,214,560	59,863,621
Federal Grants and Contracts	7,511,090	37,367,711
State and Local Grants and Contracts	1,735,358	5,456,257
Nongovernmental Grants and Contracts	400,993	1,323,297
Sales and Services of Auxiliary Enterprises	8,182,733	20,904,241
Interest on Loans and Notes Receivable	-	77,688
Other Operating Revenues	2,288,237	3,472,582
Total Operating Revenues	51,332,971	128,465,397
OPERATING EXPENSES		
Compensation and Employee Benefits	35,397,674	159,824,837
Services and Supplies	10,238,361	54,922,333
Utilities and Communications	3,533,738	12,759,318
Scholarships, Fellowships and Waivers, Net	9,604,392	28,450,102
Depreciation	4,462,645	17,850,578
Total Operating Expenses	63,236,810	273,807,168
Operating (Loss)	(11,903,839)	(145,341,771)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	21,968,261	77,458,589
Federal and State Student Financial Aid	9,569,652	38,778,392
Noncapital Grant, Contracts, and Gifts	3,205,413	2,604,353
Investment Income, Net	222,013	4,013,018
Net Increase (Decrease) in Fair Value of Investments ¹	-	(1,438,491)
Other Nonoperating Revenues	-	1,277,884
Gain (Loss) on Disposal of Capital Assets ¹	-	16,444
Interest on Capital Asset-Related Debt	(22,392)	(3,238,648)
Other Nonoperating Revenues (Expenses)	32,182	(1,467,318)
Net Nonoperating Revenues (Expenses)	34,975,129	118,004,223

**FLORIDA A&M UNIVERSITY
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Income (Loss) Before Other Revenues, Expenses, Gains or Losses	23,071,289	(27,337,548)
Capital Appropriations	-	783,023
Capital Grants, Contracts Donations and Student Fees	<u>-</u>	<u>162,612</u>
Total Other Revenues, Expenses, Gains, or Losses	<u>-</u>	<u>945,635</u>
Increase (Decrease) in Net Position	23,071,289	(26,391,913)
Net Position, Beginning of Period	<u>571,409,838</u>	<u>597,801,751</u>
Net Position, End of Period	<u>\$ 594,481,127</u>	<u>\$ 571,409,838</u>

NOTES:

¹Balances are adjusted annually as part of the year-end audit process.

**FLORIDA A&M UNIVERSITY
FINANCIAL REPORT
For Board of Trustees Meeting - January 09, 2014**

**2. REPORT OF THE INVESTMENT AND CASH BALANCES OF
UNIVERSITY FUNDS**

Cash and Investments

As presented in Table 1 below, cash and investments totaled \$41.4 million and \$107.9 million, respectively, as of September 30, 2013. When compared to June 30, 2013, cash increased \$19.6 million and investments decreased \$18.2 million. Overall, there was no significant change in total cash and investments for the first quarter.

DATE	CASH	INVESTMENTS	TOTAL
September 30, 2013	\$41,449,153	\$107,939,139	\$149,388,292
June 30, 2013	\$21,812,873	\$126,092,053	\$147,904,926

Table 1: Comparative analysis of cash and investment balances as of September 30, 2013 and June 30, 2013. *Source: iRattler.*

FLORIDA A&M UNIVERSITY
FINANCIAL REPORT
For Board of Trustees Meeting - January 09, 2014

3. BUDGET STATUS REPORT

2013-2014 E&G OPERATING BUDGET					
As of November 30, 2013					
ADMINISTRATION	BUDGET	ENCUMB	EXPEND	TOTAL EXPEND/ COMMITTED	%EXPENDED/ COMMITTED
PRESIDENT	2,900,324	967,827	993,802	1,961,629	67.63%
VP ADMINISTRATION	10,433,822	3,616,797	4,804,445	8,421,242	80.71%
VP DEVELOPMENT	1,754,691	1,014,810	738,763	1,753,573	99.94%
VP AUDIT AND COMPLIANCE	695,000	351,492	283,119	634,611	91.31%
VP LEGAL AFFAIRS	1,275,728	594,795	531,193	1,125,988	88.26%
EIT	9,244,312	2,936,283	3,390,854	6,327,137	68.44%
CAMPUS SECURITY	2,634,437	1,477,762	1,095,741	2,573,504	97.69%
TOTAL ADMINISTRATION	28,938,314	10,959,766	11,837,917	22,797,684	78.78%
PLANT OPERATIONS & MAINTENANCE					
PHYSICAL PLANT	19,146,960	9,900,339	5,957,928	14,525,050	75.86%
FACILITIES PLANNING	1,070,278	557,964	419,235	977,199	91.30%
ENVIRONMENTAL SAFETY	365,940	203,760	152,258	356,018	97.29%
TOTAL PO&M	20,583,178	10,662,063	6,529,421	15,858,267	77.04%
LIBRARIES	4,631,623	1,326,822	2,092,305	3,419,127	73.82%
STUDENT SERVICES					
VP STUDENT AFFAIRS	8,661,876	2,242,914	1,910,760	4,153,673	47.95%
TUITION Differential NEED BASE	2,385,022		1,031,639	1,031,639	43.25%
WOMEN ATHLETICS	464,878	230,128	204,934	435,062	93.59%
TOTAL STUDENT SERVICES	11,511,776	2,473,042	3,147,333	5,620,374	48.82%
TOTAL NON I&R	65,664,891	25,421,693	23,606,976	47,695,452	72.63%
INSTRUCTIONS AND RESEARCH					
VP ACADEMIC AFFAIRS	8,857,814	2,523,640	2,024,914	4,548,554	51.35%
ESI	1,526,126	823,324	544,969	1,368,293	89.66%
ARCHITECTURE	3,614,984	1,820,167	1,269,095	3,089,262	85.46%
SOCIAL SCIENCES	12,414,726	6,936,959	4,893,730	11,830,689	95.30%
SBI	7,253,407	3,848,012	2,768,103	6,616,115	91.21%
CESTA	4,503,274	2,351,190	1,698,887	4,050,077	89.94%
JOURNALISM	2,846,483	1,452,639	1,043,314	2,495,953	87.69%
EDUCATION	5,822,866	2,745,962	2,180,213	4,926,175	84.60%
NURSING	1,582,144	917,790	656,739	1,574,529	99.52%
PHARMACY	9,388,332	4,282,668	3,429,136	7,711,804	82.14%
ALLIED HEALTH	3,824,016	1,718,593	1,445,578	3,164,171	82.74%
SCIENCE AND TECHNOLOGY	7,786,971	4,111,232	2,952,954	7,064,186	90.72%
GRADUATE STUDIES	2,202,649	297,014	577,164	874,178	39.69%
ENGINEERING	10,947,043	2,321,391	3,932,688	6,254,079	57.13%
LAW SCHOOL	12,270,139	6,297,713	4,893,811	11,191,524	91.21%
TUITION DIFFERENTIAL	5,565,052	1,915,031	1,944,743	3,859,774	69.36%
TOTAL I&R	100,406,026	44,363,325	36,256,038	80,619,363	80.29%
TOTAL ALLOCATED E&G*	166,070,917	69,785,018	59,863,014	128,314,815	77.27%
	4,983,196			0	0.00%
TOTAL UNALLOCATED E&G	4,983,196	0	0	0	
TOTAL E&G	171,054,113	69,785,018	59,863,014	128,314,815	75.01%

*FINAL BUDGET ALLOCATION IS BASED ON TUITION COLLECTED RATHER THAN ON THE TUITION PROJECTED

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For Board of Trustees Meeting - January 09, 2014**

NON E&G Budget Status								
As of November 30, 2013								
Academic Affairs	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Total Revenue	Expense Budget	13-14 Expenditures as of 11/30/13	Notes
DRS Fund 118	118	33,760	3,421,105	1,320,648	1,354,408	3,428,369	3,123,783	A
Late Registration (Fund 117)	117	165,821	150,000	150,000	315,821	273,231	229,223	
Law School Bar Prep Fee	117	20,501	480,000	480,000	500,501	493,381	6,101	
Law School Library Coin Oper	116	25,684	17,000	5,832	31,516	27,250	-	
Journalism Lab Fee	116	(5,003)	17,640	2,565	(2,438)	9,365	100	B
Graphic Arts Lab Fee	116	(64,723)	19,890	1,455	(63,268)	2,976	2,976	B
Nursing Lab Fees	116	19,701	18,225	7,265	26,966	28,499	16,362	
Nursing ATI Fees	116	29,286	36,810	15,286	44,572	50,348	21,964	
FAMU/Leon Cty Pharmacy	116	318,087	313,723	100,425	418,512	427,048	266,702	
Pharmacy Lab Fees	116	55,692	36,900	14,190	69,882	47,212	10,133	
Allied Health Lab Fees	116	15,907	15,400	4,600	20,507	15,921	13,272	
Music Lab Fees	116	(1,745)	10,000	4,025	2,280	2,668	-	
Biology Material Supplies Fee	116	62,888	65,000	19,065	81,953	160,311	82,757	C
Chemistry Lab Fee	116	63,982	31,000	9,495	73,477	74,624	8,715	
CIS Lab Fees	116	12,376	31,000	8,985	21,361	23,644	9,880	
Continuing Education	116	(459,338)	119,420	68,682	(390,656)	126,029	79,614	D
Marching 100 Summer Camp	116	13,131	-	-	13,131	-	-	
Entomology Field Day	116	42,032	23,690	23,819	65,851	27,144	24,062	
Edmonds Youth theatre	116	14,517	26,500	5,417	19,934	34,155	20,075	E
Office of Inst Tech - Support	116	(9,645)	205,000	205,000	195,355	208,698	64,676	
Distance Learning- SBI	116	246,960	587,664	102,168	349,128	806,062	381,211	F
Distance Learning- Nursing	116	11,190	218,082	101,748	112,938	194,731	70,928	
Distance Learning- Public Health	116	23,929	338,650	72,150	96,079	338,565	152,030	F
Pharmacy Seminars	116	(85,542)	140,000	126,400	40,858	90,205	75,743	G
Challenger Learning Center	116	329,232	802,000	260,274	589,506	1,065,977	543,766	
Univ. Library Copy/Print Services	116	74,871	32,000	19,894	94,765	69,466	60,936	
Transcript Fee	116	20,659	152,402	71,613	92,272	158,632	159,681	H
Student Hlth Ctr Pharmacy	116	57,128	270,000	159,383	216,511	204,576	180,867	
Orange County		(94,329)	275,000	55,905	(38,424)	282,867	86,249	
Administrative &								
Controller's Office								
Surplus Property	116	69,039	35,000	5,668	74,707	83,288	58,822	
Auxiliary Overhead	116	1,558,368	1,681,000	311,215	1,869,583	1,752,340	816,402	
Late Payment Fund 117	117	1,807,195	265,550	-	1,807,195	287,522	167,339	
Fin Aid Adm Exp ControllerFund 117	117	1,172,754	225,000	-	1,172,754	244,515	134,417	
Business and Aux Services								
Bookstore	116	441,766	320,000	167,209	608,975	305,138	157,852	
University Commons	116	3,278,058	775,000	183,140	3,461,198	1,432,685	876,109	
University Parking	116	1,689,781	2,269,375	991,867	2,681,648	2,501,328	1,936,314	
Bus & Aux. Services	116	48,370	110,000	110,000	158,370	114,239	50,001	
Post Office	116	96,774	279,378	237,416	334,190	294,015	275,693	
Procurement Contracts	116	88,415	80,000	84,270	172,685	112,280	44,259	
Rattler Card	116	184,777	229,700	167,139	351,916	243,977	200,429	
Copy Center	116	80,600	366,981	220,004	300,604	367,111	339,857	I
Meal Plan		(132,226)	7,641,900	7,641,900	7,509,674	7,182,609	6,320,519	
Construction & Facilities Planning								
Building Code	116	57,916	180,000	86,416	144,332	148,093	119,742	
Events department	116	187,538	90,000	24,742	212,280	145,825	39,744	
Events department-Ticket Sales	116	-	50,000	31,308	31,308	50,000	-	

**FLORIDA A&M UNIVERSITY
FINANCIAL REPORT
For Board of Trustees Meeting - January 09, 2014**

NON E&G Budget Status - Continued								
As of November 30, 2013								
Academic Affairs	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Total Revenue	Expense Budget	13-14 Expenditures as of 11/30/13	Notes
Student Affairs								
Fin Aid Adm Exp Fund 117	117	206,769	250,000	-	206,769	293,069	187,363	
Orientation Fee (Fund 117)	117	(28,271)	319,080	252,366	224,095	325,981	297,379	J
Rattler Aquatics	116	72,476	53,795	53,795	126,271	117,062	51,361	
Student Union	116	(30,731)	746,105	751,255	720,524	810,455	659,357	
Student Union Bowling Alley	116	32,074	10,000	3,714	35,788	11,280	6,050	
Rattler Express	116	(2,691)	220,226	155,200	152,509	217,215	213,226	K
Campus Recreation	116	-	543,578	546,940	546,940	543,577	475,040	
Famuan Fund 117	117	(154,742)	162,052	39,596	(115,146)	164,907	81,466	L
FAMU DPS Alarm Monitor	116	33,599	18,774	-	33,599	40,260	24,783	
FAMU Child Care Center	116	75,894	668,584	324,860	400,754	820,924	528,132	M
Hosp O&M Student Hlth	116	2,298,578	2,002,934	999,314	3,297,892	2,415,051	1,829,046	
Counseling Services	116	41,987	330,388	330,388	372,375	377,599	332,328	
LifeScan Finger Printing	116	40,513	30,000	17,307	57,820	33,716	29,830	
Housing Fund 110	110	5,174,821	12,997,614	5,202,937	10,377,758	14,264,114	7,417,985	
A&S Fees	117	-	2,681,032	-	2,681,032	-	-	
E.I.T								
Technology Fee	117	2,962,560	1,969,913	957,453	3,920,013	4,204,640	1,016,069	
Telecommunications	116	(772,206)	1,977,884	1,969,912	1,197,706	1,935,965	1,085,541	
President								
Athletics	115	(7,800,291)	9,175,161	3,471,616	(4,328,675)	9,164,768	6,798,581	N
Concessions	117	186,504	180,630	182,106	368,610	183,512	160,423	
NOTES:								
A. Collections are received from DOE bi-monthly. These collections are calculated using the FEFP. All salaries and OPS have been encumbered for the entire fiscal year.								
B. The Item Types for this department have been corrected so that revenue collections will go the correct department.								
C. Revenues are generated from fees that are assessed at the beginning of each semester.								
D. A debt reduction plan is currently being developed by the Continuing Education department. Spending has been restricted until the plan has been submitted to the Budget Office.								
E. This is a summer program and revenue is collected during summer.								
F. Tuition and Fees are still being collected for this department.								
G. Revenue will continue to be collected as seminars take place throughout the fiscal year. All Salaries and OPS have been encumbered for the entire fiscal year.								
H. As students request transcripts throughout the year, revenue will be collected.								
I. A debt reduction plan is currently being developed by the Business and Auxiliary Services office.								
J. Revenues for Orientation Fee are generated during summer orientation programs which will eliminate the projected negative balance								
K. Rattler Express is continuously generating revenue throughout the fiscal year.								
L. FAMUAN deficit is attributed to continued increases in printing costs and lack of advertising revenue collections. A debt reduction is being developed and spending is restricted. A debt reduction plan has is being developed, also all Salaries and OP								
M. Revenue is collected continuously throughout the year for each child on a per month basis, and funds from a federal grant has not been deposited yet.								
N. A debt reduction plan has been implemented to reduce the deficit.								
All of these areas are being monitored on a weekly basis.								

**VI. (b) Governmental Relations
(to be provided at a later date)**

VI. (c) Contracts Over \$100,000



Florida Agricultural and Mechanical University
Board of Trustees Information Item

Meeting Date January 9, 2014

Action Item

Committee

Budget and Finance

Subject: Contracts Over \$100,000

Short Summary: Jackson State University and FAMU

Contract Start Date: 9/1/2013

Contract Original Expiration Date: 8/31/2014

Contract Amount: \$218,200.00

This contract between FAMU and Jackson State University (sub-recipient) is entered into in compliance with the Environmental Cooperative Science Center (ECSC) Project named in this document. In partnership with other universities, and FAMU as the lead, this sub-recipient will perform activities that will contribute to fulfilling the goals of the ECSC project. ECSC has four major goals: 1) Increase the number of well trained and highly qualified scientists and managers, particularly from the under-represented minority groups entering the National Oceanic and Atmospheric Administration (NOAA) and NOAA-related workforce; 2) Enhance the scientific understanding of human interactions with the coastal environment in support of NOAA's place-based management specifically as it relates to the response of coastal and marine ecosystems to natural and human induced stressors; 3) Improve the scientific bases for coastal resource management and coastal marine spatial (CMSP) and to develop tools and research products to characterize, evaluate, and forecast coastal and marine ecosystem responses to natural and human induced stressors; and 4) Facilitate community education and outreach relating to the function and relevance of coastal ecosystems and the services they provide to society.

Short Summary: University of Texas at Brownville and FAMU

Contract Start Date: 9/1/2012

Contract Original Expiration Date: 8/31/2014

Contract Amount: \$191,271

This contract between FAMU and the University of Texas at Brownville (sub-recipient) is entered into in compliance with the Environmental Cooperative Science Center (ECSC) Project named in this document. In partnership with other universities, and FAMU as the lead, this sub-recipient will perform activities that will contribute to fulfilling the goals of the ECSC project. ECSC has four major goals: 1) Increase the number of well trained and highly qualified scientists and managers, particularly from the under-represented minority groups entering the National Oceanic and Atmospheric Administration (NOAA) and



Florida Agricultural and Mechanical University Board of Trustees Information Item

NOAA-related workforce; 2) Enhance the scientific understanding of human interactions with the coastal environment in support of NOAA's place-based management specifically as it relates to the response of coastal and marine ecosystems to natural and human induced stressors; 3) Improve the scientific bases for coastal resource management and coastal marine spatial (CMSP) and to develop tools and research products to characterize, evaluate, and forecast coastal and marine ecosystem responses to natural and human induced stressors; and 4) Facilitate community education and outreach relating to the function and relevance of coastal ecosystems and the services they provide to society.

Prepared by: Stephany Fall