

Florida Atlantic University Steering Committee Meeting Financial Review Model (FRM) February 9, 2016

Meeting Agenda



- Overview / Update on the Project
- Discussion and Demo of the different Models for the University
 - Option # 1 - Final Reporting Units (Academic and Other Reporting Units)
 - All activities pushed down to final reporting units
 - Option # 2 - Ability to Show All Units and Final Reporting Units
 - Some activities pushed to the student level – Other activity can be kept at the departmental level
- Communication Plan Update / Status
- Other Issues

Transform Financial Data Into Information- Academic Example

A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2013

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$96,797,580	\$ 251,226,703	\$
Federal Grants and Contracts	73,691,576	
State and Local Grants and Contracts	6,528,178	
Nongovernmental Grants and Contracts	11,053,453	
Sales and Services of Educational Departments	438,946	
Sales and Services of Auxiliary Enterprises	101,809,515	
Sales and Services of Component Units		2,578,877
Gifts and Donations		35,492,206
Interest on Loans and Notes Receivable	43,279	
Other Operating Revenues	17,716,973	7,175,108
Total Operating Revenues	462,508,623	45,246,191
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	470,438,146	
Services and Supplies	159,132,639	17,791,925
Utilities and Communications	15,977,665	157,165
Scholarships, Fellowships, and Waivers	87,936,402	
Depreciation	39,586,091	665,505
Other Operating Expenses		6,911,738
Total Operating Expenses	773,070,943	25,526,337
Operating Income (Loss)	(310,562,320)	19,719,854
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	173,819,413	
Federal and State Student Financial Aid Investment Income	107,919,392	
Other Nonoperating Revenues	13,314,091	21,617,493
Gain on Disposal of Capital Assets	10,557,659	
Interest on Capital Asset-Related Debt	180,464	
Other Nonoperating Expenses	(7,110,940)	(1,484,745)
	(240,477)	
Net Nonoperating Revenues	298,439,602	20,132,748
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(12,122,718)	39,852,602
State Capital Appropriations	59,413,278	
Capital Grants, Contracts, Donations, and Fees	4,122,866	
Other Expenses		(860,406)
Increase in Net Position	51,413,426	38,992,194
Net Position, Beginning of Year	887,680,750	232,535,097
Net Position, End of Year	\$ 939,094,176	\$ 271,527,291

Data Translation Engine
+
University

▪ Rules
▪ Policies
▪ Assumptions

**College
Income Statement**

**Department
Income Statement**

**Program
Income Statement**

**Major
Income Statement**

**Course
Income Statement**

**Student
Income Statement**

Different Views of Information

The Analysis is Done for Subjects and Student Majors

Subject Summary

- Revenues and Expenses of the Subject - Regardless of the Major of the Student Who Takes Classes in that Particular Subject.
- *E.g., What are the Revenues and Expenses for teaching Undergraduate Accounting classes?*

Major Summary

- Revenues and Expenses of the Major - Regardless of Where the Students Take Their Classes
- *E.g., What are the Revenues and Expenses for teaching Undergraduate Accounting Majors?*

What are the Key Decisions to be Made in the Model?

- **What are the Reporting Units in the Model? (Option 1 or Option 2)**
- What are the Margins to be Reported in the Model?
- How are Faculty and Instructional Costs Allocated?
- How are other Non-Instructional Costs Allocated?
- How are Restricted Funds / Grants Handled?
- How is Net Tuition Revenue Allocated in the Model?
- How are Space Costs Allocated within the Model?

Proposed 4 Margins for Reporting

+ Direct Revenues
- Direct Expenses
= Direct Margin (CM1)
+ / - College Revenues and Expenses
= Unit / College Margin (CM2)
+ / - Academic Support Revenues and Expenses
= Academic Margin (CM3)
+ / University Overhead Revenues and Expenses
= Net Margin (CM4)

Where do Allocated Space Costs Fit Within the Margins?