



BOARD *of* GOVERNORS

State University System of Florida

Audit and Compliance Committee

Joe Maleszewski, Inspector General and Director of Compliance
June 21, 2017

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Florida Gulf Coast University - CAP Update

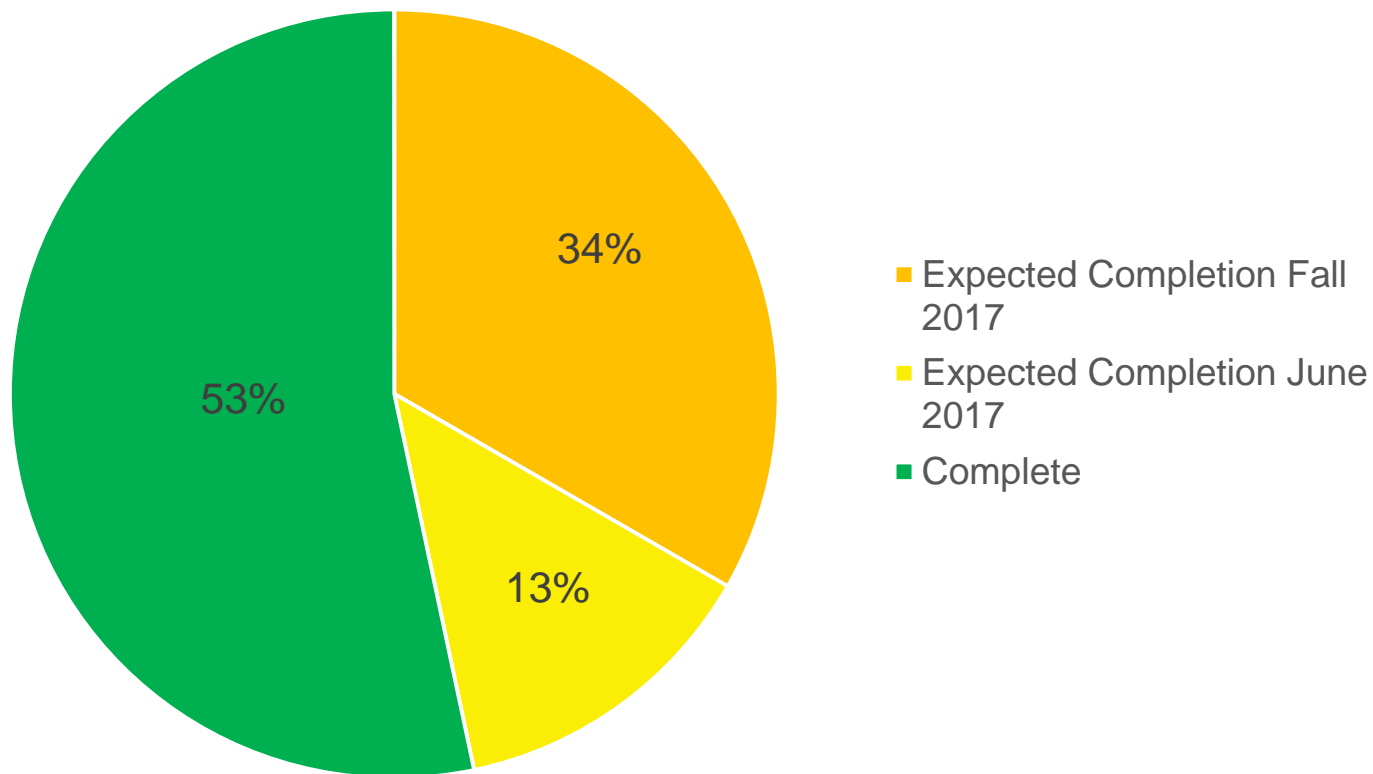
Corrective Action Plan Timeline

DATE	ACTION
March 28, 2017	Final Report Issued
March 30-31, 2017	Investigative findings presentation, BOG meeting
April 18, 2017	CAP requested (Due: May 26, 2017)
May 9, 2017	FGCU BOT meeting; Received FGCU CAP
June 13, 2017	FGCU BOT meeting
June 21, 2017	CAP update presentation, BOG meeting
June 29, 2017	FGCU BOT conference call
September 12, 2017	FGCU BOT meeting
November 8-9, 2017	Anticipated final BOG update



Florida Gulf Coast University - CAP Update

Corrective Actions Status Summary





Florida Gulf Coast University - CAP Update

Corrective Actions Status Summary

Complete (53%)	Expected Completion June 2017 (13%)	Expected Completion Fall 2017 (34%)
<ul style="list-style-type: none">• Vice Chair Election• Autonomous AACC• Separate BOT and AACC Chair• Sunshine Law training• SACS Consult• Legal Opinion - Advisory Committee Meeting Minutes• Supervisory Training• OIEC Coordination	<p>Policy Updates:</p> <ul style="list-style-type: none">• FGCU-PR1.001• BOT Ethics Policy	<ul style="list-style-type: none">• Strategic Plan Approval by Board of Governors• Annual Training• Conflict of Interest Training• Enhanced New Trustee Orientation• New Trustee Orientation Certification/Attestation



OIGC Annual Work Plan

- Required Annually by Statute
- Risk-based
- Resources – 3 FTE
- 10% Reserved
- Planned Project Highlights
 - Legislative Program Appropriations;
 - Information Resource Management - IT Governance;
 - Board of Governors Foundation
 - PBF Data Integrity
 - Compliance Activities
 - Follow-up



Florida A&M University – Athletics Cash Deficit

- FAMU Athletics Cash Deficit
 - Nearly \$8 million
- BOG Regulation 9.013, *Auxiliary Operations*
“Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity.”
- Auditor General Audit Finding – Three times triggers Legislative oversight
- BOG Oversight and Consultation Ongoing



FY 16-17 Preliminary Athletic Financial Summary

June 21, 2017

PRESENTED BY

Larry Robinson, Ph.D.

Interim President

Florida Agricultural and Mechanical University



Athletic Financial Summary

Fiscal Year 2016-17

- Over the last 10 years, FAMU Athletics accrued a deficit of nearly \$8m. The deficit resulted in audit findings and the implementation of a 12-year repayment plan.
- For the first time in over a decade, the University is projecting a balanced budget with the possibility of a surplus.





ATHLETIC DEFICIT REDUCTION SUMMARY

AS OF 5-30-17

Projected deficit at December 1, 2016		\$ (651,724.00)
Additional Revenue:		
One time distribution from NCAA not included in June 30, 2016 budget authority	\$ 200,000.00	
Subtotal of additional revenues	\$ 200,000.00	
Expense Reductions:		
Elimination of OPS positions - salary savings	\$ 122,282.00	
Vacant compliance position to remain unfilled FY2016-2017 fiscal year (includes fringe)	\$ 55,000.00	
AASP Grant for E-book initiative - expense being paid by grant	\$ 30,000.00	
Reduction in administrative travel expenses	\$ 7,000.00	
Subtotal of expense reductions	\$ 214,282.00	
Total net impact of deficit reduction strategies		\$ 414,282.00
Remaining deficit to be addressed AS OF DECEMBER 2016		\$ (237,442.00)
Additional Cost Savings as of January 19, 2017		
TEAM TRAVEL		
Savings Resulting From Group Travel and Usage of University Vehicle		\$ 20,925.00
Remaining deficit to be addressed AS OF JANUARY 2017		\$ (216,517.00)
Additional Cost Savings as of February 23, 2017		
Savings Resulting From Group Travel and Usage of University Vehicle	\$ 24,050.00	
Cancelled Purchase Orders	\$ 16,584.00	
Additional Champions Donations	\$ 53,000.00	
Savings Resulting From Group Travel, Additional Revenue and Usage of University Vehicle		\$ 93,634.00
Remaining deficit to be addressed AS OF FEBRUARY 2017		\$ (122,883.00)
Additional Champions Donations	\$ 50,000.00	
Remaining deficit to be addressed AS OF MARCH 2017		\$ (72,883.00)
Additional Champions Donations	\$ 82,000.00	
Projected Surplus as of April 2017		\$ 9,117.00
Projected Surplus as of May 2017		\$ 9,117.00





FAMU Athletics

Budget Status Report as of 5/30/17

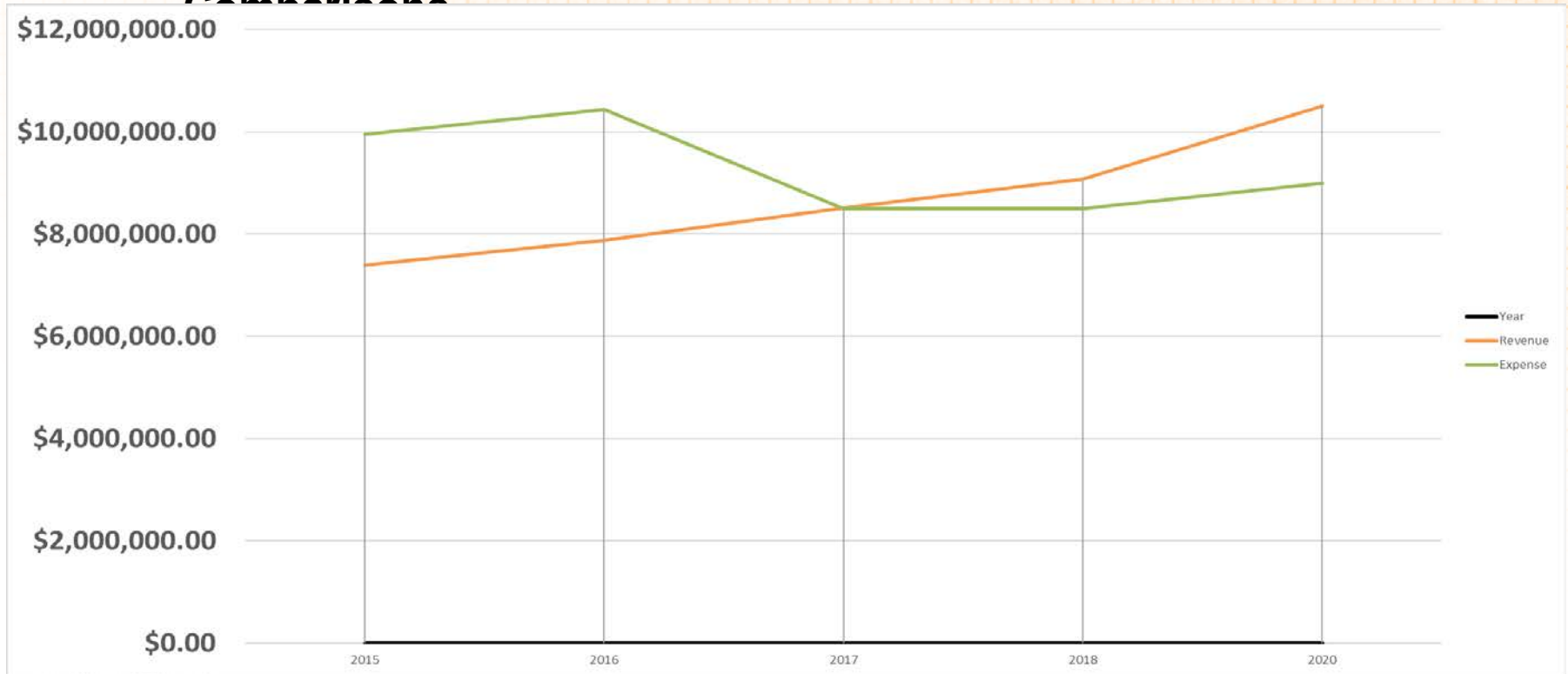
Budget Status Report as of 5-30-17						
Revenues:	Budgeted	Collected	Percent Collected			
	\$ 8,937,500	\$ 7,723,609	86%			
	Budget	Actual	Projections	%	Account	Description
	\$ 3,652,683	\$ 3,757,176	\$ (104,493)	102.86%	601000	Fees
	\$ 289,517	\$ 291,626	\$ (2,109)	100.73%	602130	Football Gate Receipts
	\$ 1,100,000	\$ 994,529	\$ 75,000	90.41%	602131	Game Guarantees
	\$ 352,712	\$ 280,377	\$ 62,623	79.49%	602131	Other Game Guarantees
	\$ 104,500	\$ 73,777	\$ 24,513	70.60%	602132	Athletic Concession Sales
	\$ 5,600	\$ 5,581	\$ -	99.66%	602133	Athletic Program Sales
	\$ 337,500	\$ 305,012	\$ -	90.37%	602134	Football Season Tickets
	\$ 325,800	\$ 82,700	\$ 76,800	25.38%	602136	Athletic Advertising Sales
	\$ 150,000	\$ 110,609	\$ 14,391	73.74%	602139	Royalty
	\$ 450,000	\$ 442,007	\$ 407,993	98.22%	602141	NCAA Revenues
	\$ 18,000	\$ 13,290	\$ -	73.83%	602143	Ticket Sales Away Games
	\$ 400,000	\$ 119,198	\$ -	29.80%	602153	MEAC Revenue
	\$ 800,000	\$ 701,812	\$ 148,188	87.73%	602152	Florida Classic Consortium
	\$ 583,188	\$ 226,789	\$ 63,143	38.89%	602150	Other Auxiliary Revenue
	\$ 18,000	\$ 6,736		37.42%	602144	Basketball Receipts
	\$ -	\$ 691	\$ -		604075	Cash Over or Short
	\$ 250,000	\$ 311,699	\$ (64,569)	124.68%		Athletic Fundraising
	\$ 100,000	\$ -	\$ 100,000	0.00%	615001	Transfers
	\$ 8,937,500	\$ 7,723,609	\$ 801,480			





FAMU Athletics Financial Summary

5-Year Actual and Projected Revenue and Expense Comparisons





FAMU Athletics Financial Summary

NEXT STEPS: 12-Year Repayment Plan

YEAR	PLAN	Projections
Year 1	Balanced budget/Surplus	\$0 - \$25k
Year 2	Surplus/Reserve	\$25k - \$100k
Year 3	Surplus/Reserve	\$100k - \$300k
Years 4 - 12	Self-Sustaining <i>(Repayment to Auxiliaries by Athletics)</i>	\$300k – 500k





Board Office AG Operational Audit: Follow-up

- Board Office Operational Audit – November 2016
- No adverse audit findings on Board Office operations
- One finding for BOG to enhance regulations:
 - Remuneration of university presidents and administrative employees;
 - Sponsored research;
 - Anti-hazing policies;
 - Student Code of Conduct; and
 - Purchasing Practices.
- Corrective Actions ongoing



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