

The Florida International University
Finance & Audit Committee
Meeting



September 11, 2008

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Finance & Audit Committee
Meeting



FY 2007-08 Variance Analysis
September 11, 2008

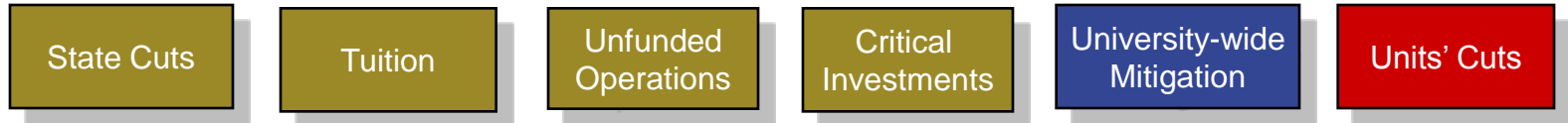
The Florida International University
Finance & Audit Committee

AGENDA



- **Legislative Update**
- **University Performance Summary – FY 2007-08**
- **Variance Highlights:**
 - *E&G Revenues and Expenses*
 - *Auxiliary Performance*
 - *Treasury Operations*
 - *Sponsored Research*

LEGISLATIVE UPDATE



ORIGINAL

$$-7.0\% \quad \$-14.0M \quad + \quad \$5.0M \quad + \quad \$-5.2M \quad + \quad \$-17.9M \quad + \quad \$17.1M \quad + \quad \$15.0M \quad = \quad \$0.0M$$

RECENT CHANGES

$$-5.9\% \quad \$-11.9M \quad \$2.4M \quad \$-2.2M$$

$$-4.0\% \quad \$ -7.6M \quad \$2.9M$$

$$\text{LOTTO} \quad \$ 6.4M$$

$$\$-13.1M \quad + \quad \$10.3M \quad + \quad \$-7.4M \quad + \quad \$-17.9M \quad + \quad \$17.1M \quad + \quad \$15.0M \quad = \quad \$4.0M$$

WORST CASE SCENARIO

$$-3.0\% \quad \$ -5.7M$$

$$\text{LOTTO} \quad \$ -6.4M$$

$$\$-25.2M \quad + \quad \$10.3M \quad + \quad \$-7.4M \quad + \quad \$-17.9M \quad + \quad \$17.1M \quad + \quad \$15.0M \quad = \quad \$-8.1M$$

UNIVERSITY PERFORMANCE SUMMARY

FY 2007-08

(\$ in millions)

	Year To Date June 30, 2008				
	Budget	Adjusted Budget	Current Year Actual	Variance	
				\$	%
Revenues					
Educational and General (net)	351.7	342.2	345.7	3.5	1%
Auxiliary Enterprises	118.4	118.4	116.2	(2.1)	-2%
Sponsored Research	86.4	86.4	85.8	(0.6)	-1%
Student Scholarships	72.7	72.7	73.2	0.5	1%
Concessions	0.5	0.5	0.3	(0.1)	-29%
Intercollegiate Athletics	17.9	17.9	18.0	0.1	1%
Activities and Service	11.1	11.1	11.1	0.0	0%
FIU Foundation Inc	34.3	34.3	16.3	(18.0)	-52%
FIU Research Foundation	0.0	0.0	0.0	0.0	0%
Interfund Adjustments	(11.4)	(11.4)	(11.5)	(0.1)	1%
Total University Revenues	681.5	672.0	655.3	(16.8)	-2%
Expenses					
E&G	351.9	340.9	318.6	(22.4)	-7%
Auxiliary Enterprises	98.8	98.8	94.9	(4.0)	-4%
Sponsored Research	85.7	85.7	83.8	(1.9)	-2%
Student Scholarships	72.4	72.4	70.6	(1.8)	-2%
Concessions	0.4	0.4	0.3	(0.1)	-21%
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Total University Expenses	639.9	628.9	599.3	(29.6)	-5%
Principal Payment of debt	7.8	7.8	7.8	(0.1)	-1%
Change in Net Assets	33.8	35.3	48.2	12.9	37%

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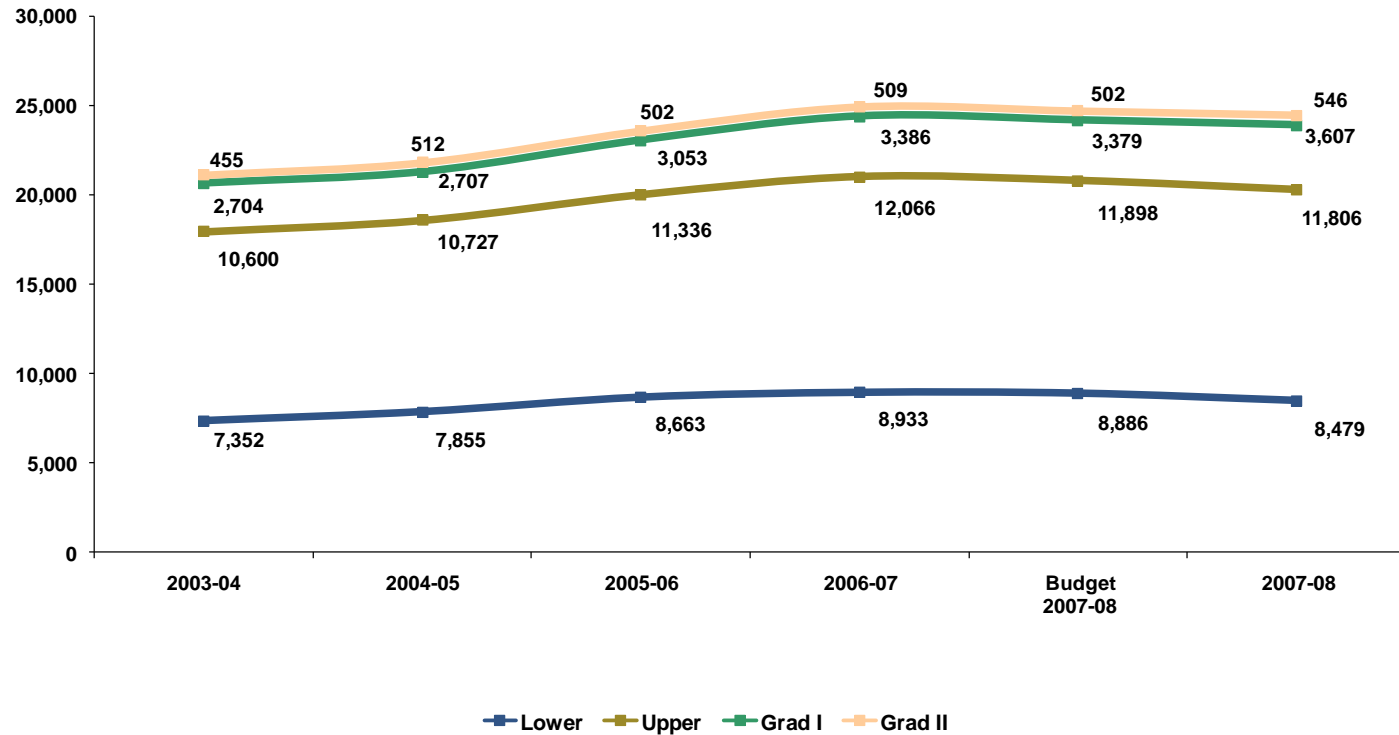
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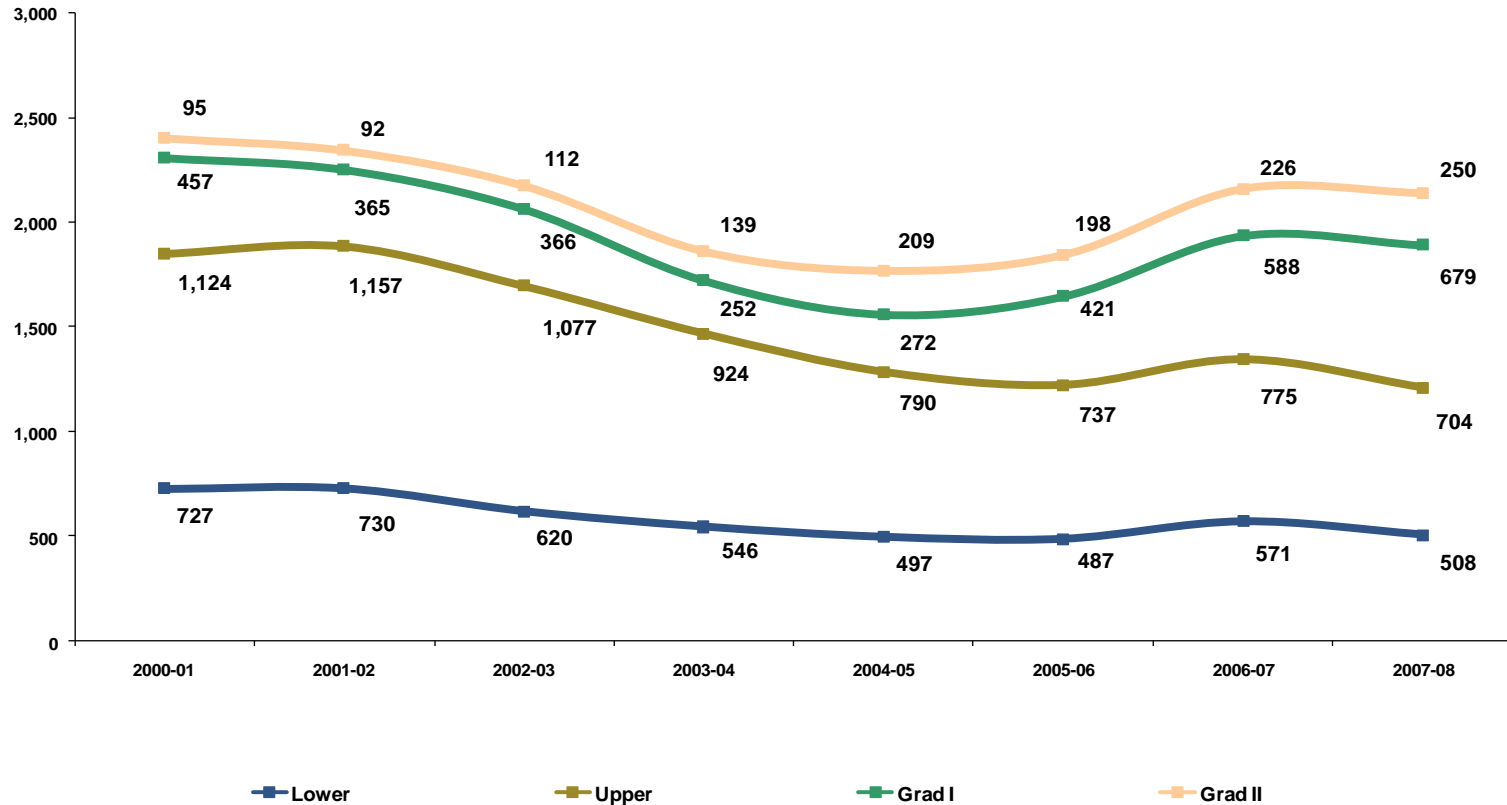
E&G REVENUE Enrollment

FY07-08 Graduate enrollment has driven growth
and positive variance of \$4M



E&G REVENUE NON RESIDENT FTES

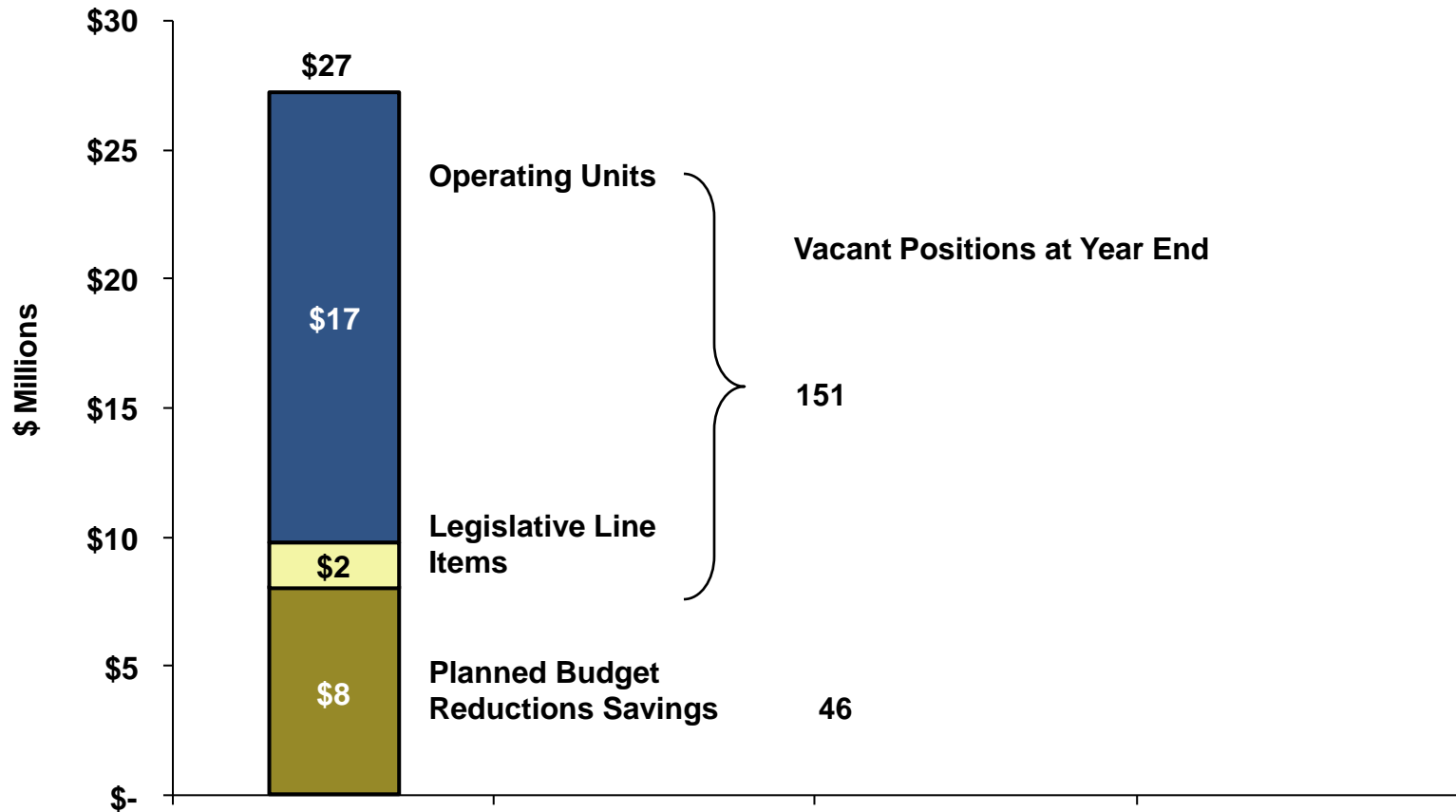
Graduate Non Resident FTES led even higher revenue results



* Grad I includes Law

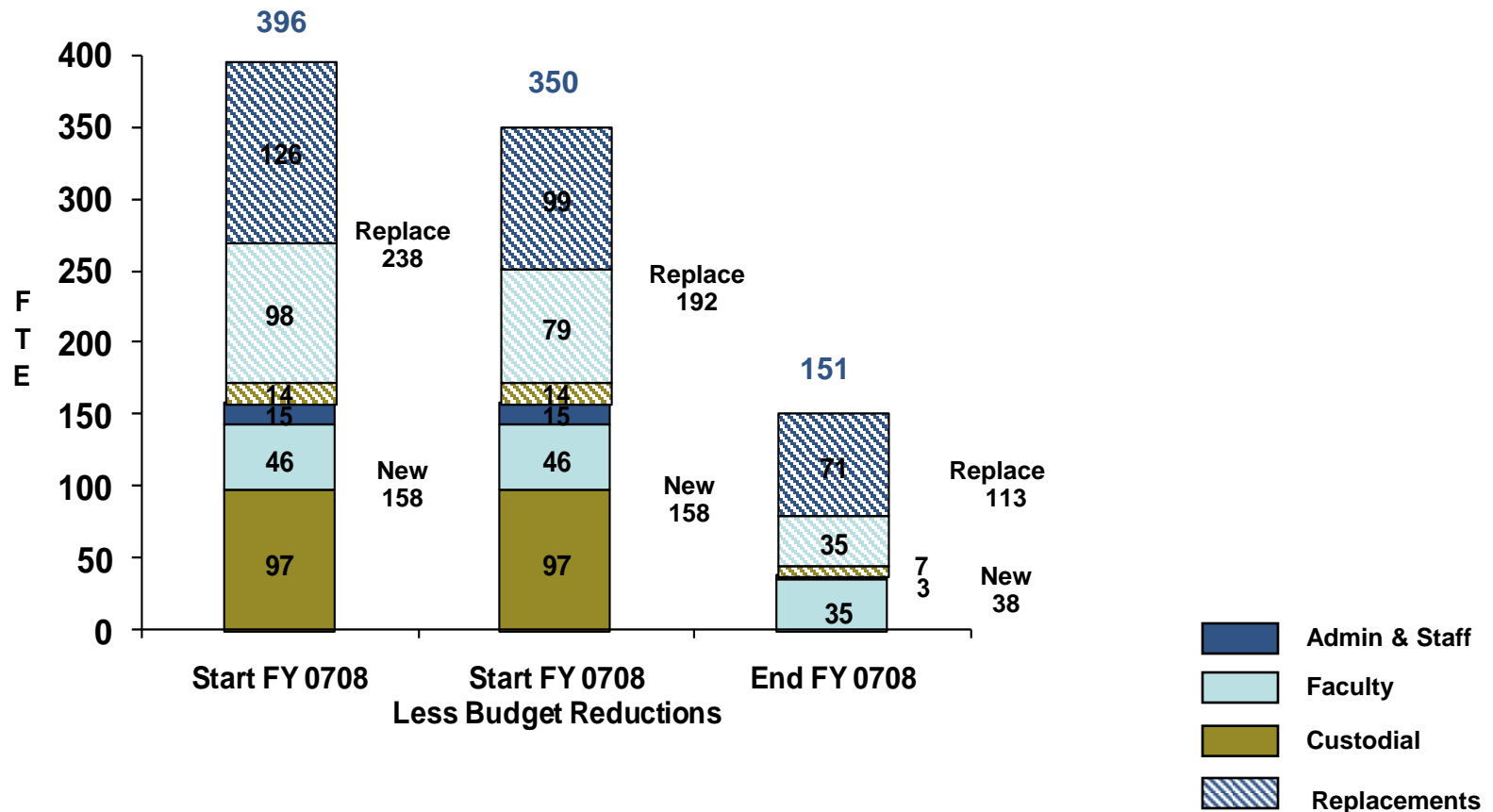
E & G EXPENSES SALARIES & BENEFITS

\$27 million savings driven by vacant and eliminated positions



E & G EXPENDITURES VACANT POSITION COMPARISON

Vacancy reductions driven mainly by planned budget reductions 46, conversion of custodial staff 97 and hiring on new positions and replacements 102



UNIVERSITY PERFORMANCE SUMMARY

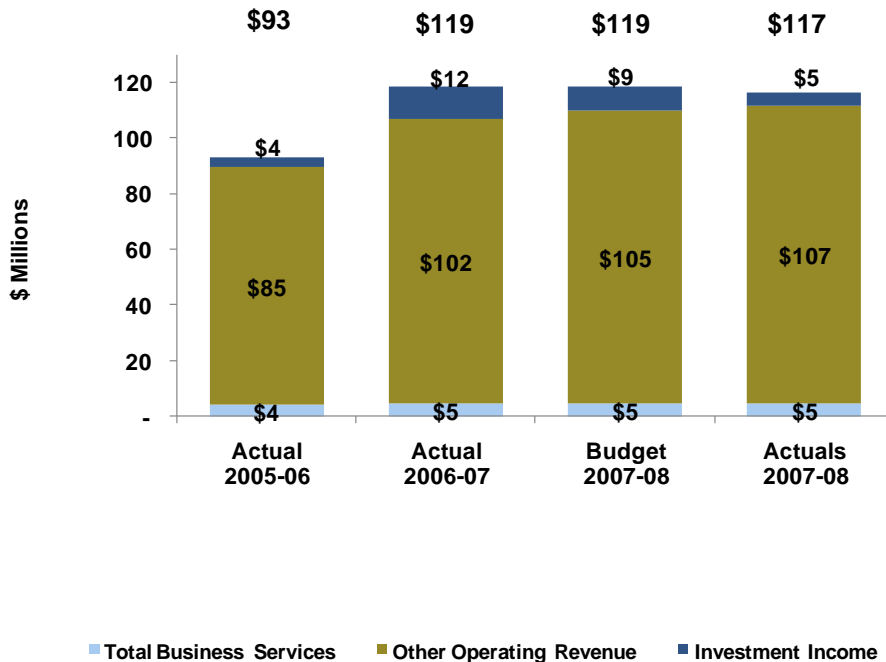
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AUXILIARY PERFORMANCE

Growth in auxiliaries remain flat however initiatives are in place to double non restricted auxiliary revenues over the next 10 years



Operating

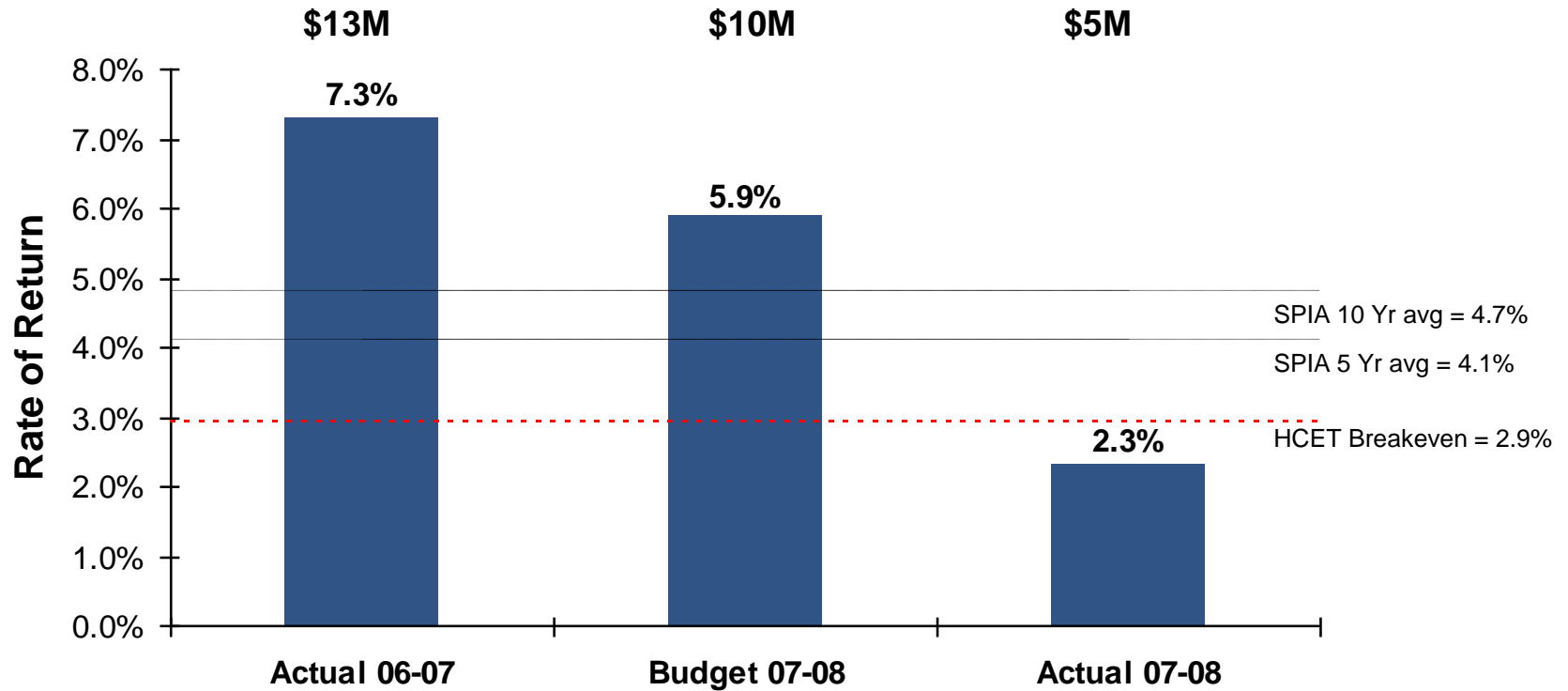
- ✓ South Beach Wine & Food Festival revenues exceeded \$6M an increase of \$0.8M over budget

Revenue Expansion Projects

- ✓ Expanding Food Service outlets strategically around campus
- ✓ Improving merchandising in Barnes and Noble University Bookstore
- ✓ Explore options of additional retail for Academic Health Science Complex
- ✓ Exploring feasibility of a Hotel and Conference Center at UP and BBC

TREASURY PERFORMANCE

Lower than expected rates of return of 2.3% from poor market conditions resulted in a negative variance of \$5M



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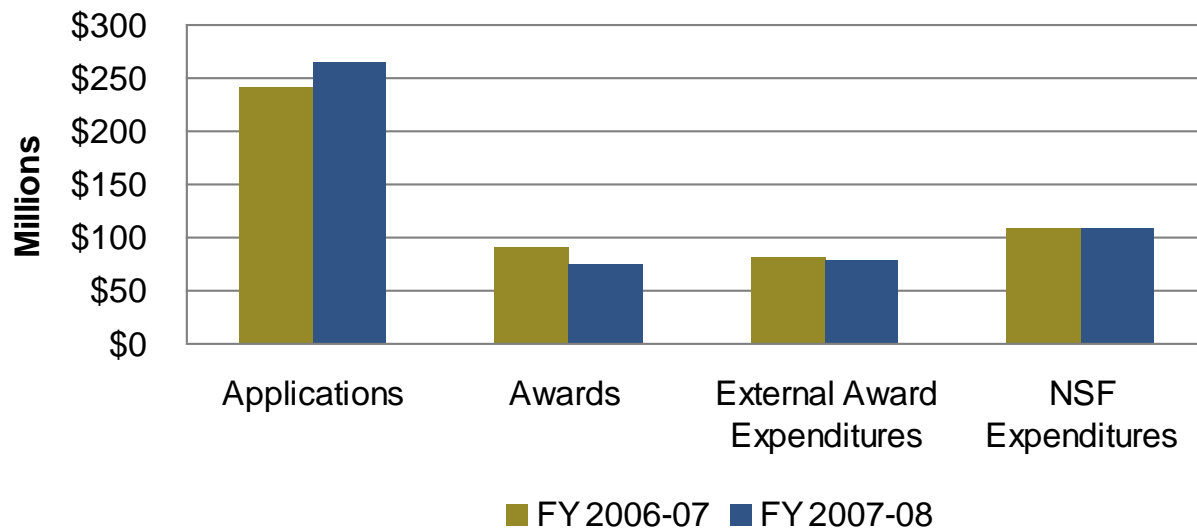
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SPONSORED RESEARCH

While Applications Continue to Grow, Overall Awards Have Declined by 10%



✓ **Awards decline due to**

- Federal government funding for research remains flat year over year
- Large Number of No Cost Extensions, \$10M, which delays new proposals

✓ **Growth Initiative**

- Cluster Hiring. Five research faculty start in December 2008 with existing grants in healthcare area
- Availability of research enhancement funds to provide start up packages

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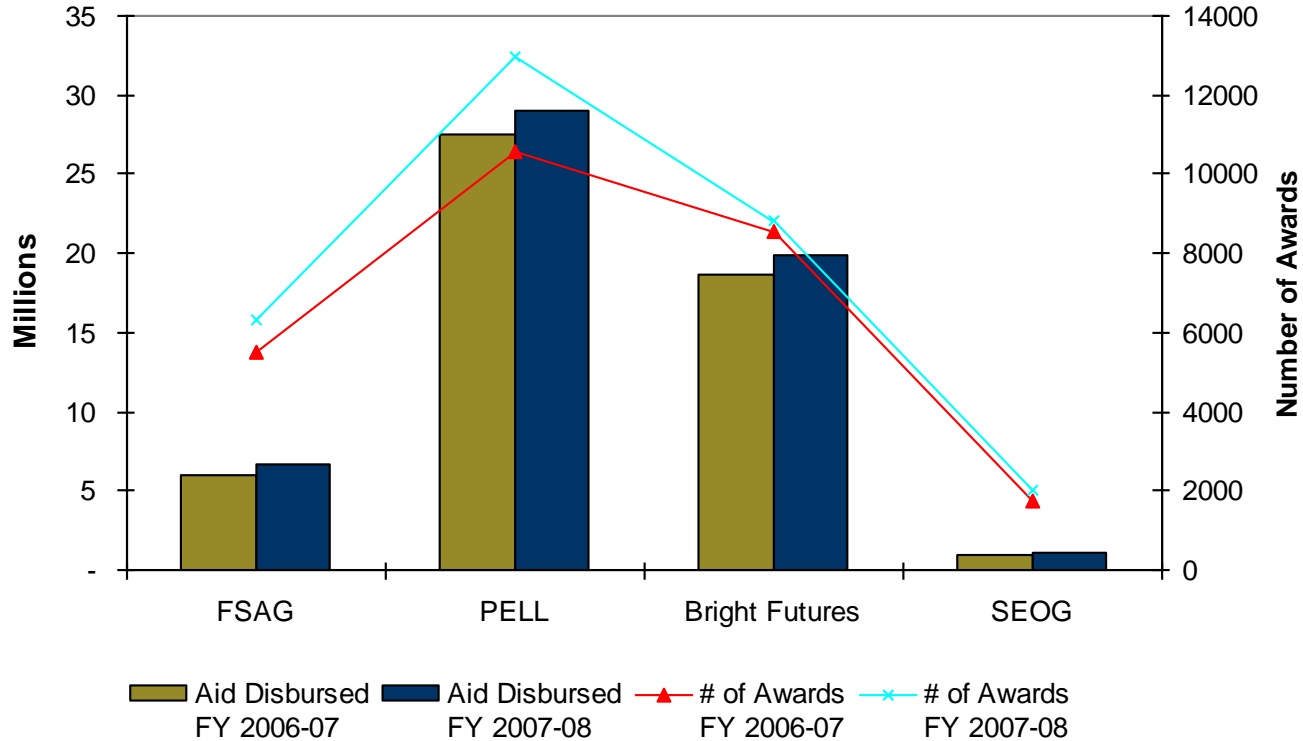
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STUDENT SCHOLARSHIPS

The number of awards in FY 2007-08 increased by 14% generating an additional \$3.8 Million in Disbursed Aid



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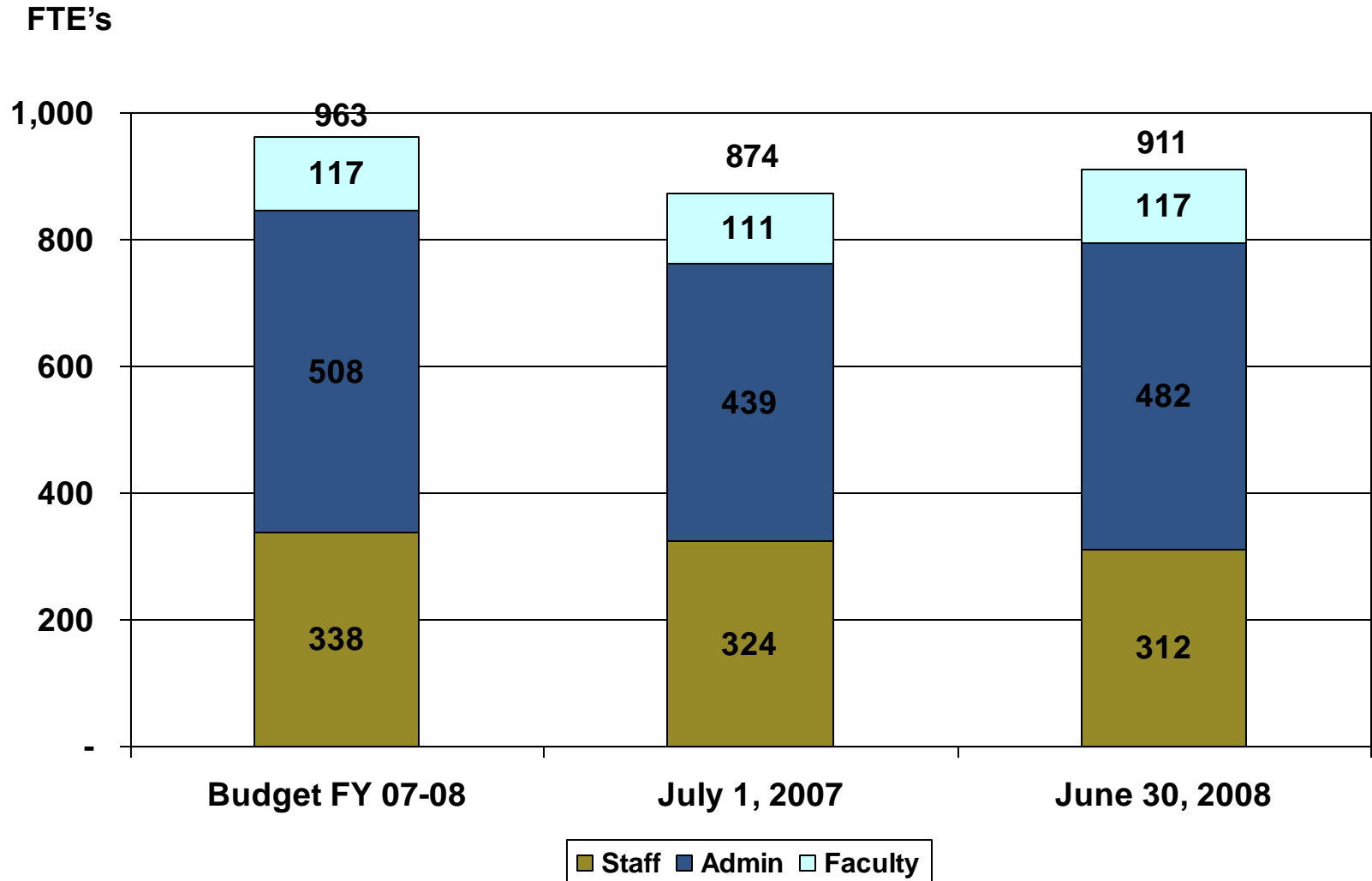
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BACKUP INFORMATION

NON E&G POSITION COMPARISON



FIU FOUNDATION PERFORMANCE HIGHLIGHTS

Revenues

\$5M gift in support of Tropical Botany was not received
\$15.5M - Investment returns budgeted at 7.5% vs actual of 4.1%

Expenses

\$1.5M increase in expenses as a direct result of the University's budget cut crisis, as more units use Foundation funds for operations.