



Florida Agricultural & Mechanical University
Board of Governors Update
November 16, 2005





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Fiscal Year 2004-05





Fiscal Year 2004-05

Year-end Activities

- **The Year-end Financial Statements for the University were submitted to the Department of Education (DOE) on time, September 15, 2005.**
 - The 2004-05 fiscal year closing process included clearing system and general ledger errors, reconciling cash accounts and reconciling subsidiary modules to the general ledger.
 - Because the 2004-05 fiscal year was an ERP implementation year, balances were validated through alternative means such as 3rd party information and source documentation as necessary.
 - The DOE submission included the balance sheet, income statement and component unit note disclosures.
 - The University tested, quality controlled and submitted financial data via the state financial reporting system.





Fiscal Year 2004-05

Draft Unaudited Financial Statement Summary:

- The following table illustrates a summary of the major fiscal categories submitted 9/15/05 for the University as a whole:

	2004-05
	Unaudited*
Total Assets	\$ 479.5
Total Liabilities	(82.0)
Total Net Assets	<u>\$ 397.5</u>
Revenues	\$ 276.9
Expenses	(268.9)
Income before Other Revenues	8.0
Capital Contributions	18.1
Change in Net Assets	<u>\$ 26.1</u>

**in millions*





Fiscal Year 2004-05

- Three-year summary comparison of the major fiscal categories for the University as a whole:

	2004-05	2003-04	2002-03
	Unaudited*	Audited*	Audited*
Total Assets	\$ 479.5	\$ 471.4	\$ 432.5
Total Liabilities	(82.0)	(100.0)	(87.7)
Total Net Assets	<u>\$ 397.5</u>	<u>\$ 371.4</u>	<u>\$ 344.8</u>
Revenues	\$ 276.9	\$ 256.2	\$ 220.0
Expenses	(268.9)	(259.3)	(226.0)
Income before Other Revenues	8.0	(3.1)	(6.0)
Capital Contributions	18.1	29.7	13.7
Change in Net Assets	<u>\$ 26.1</u>	<u>\$ 26.6</u>	<u>\$ 7.7</u>

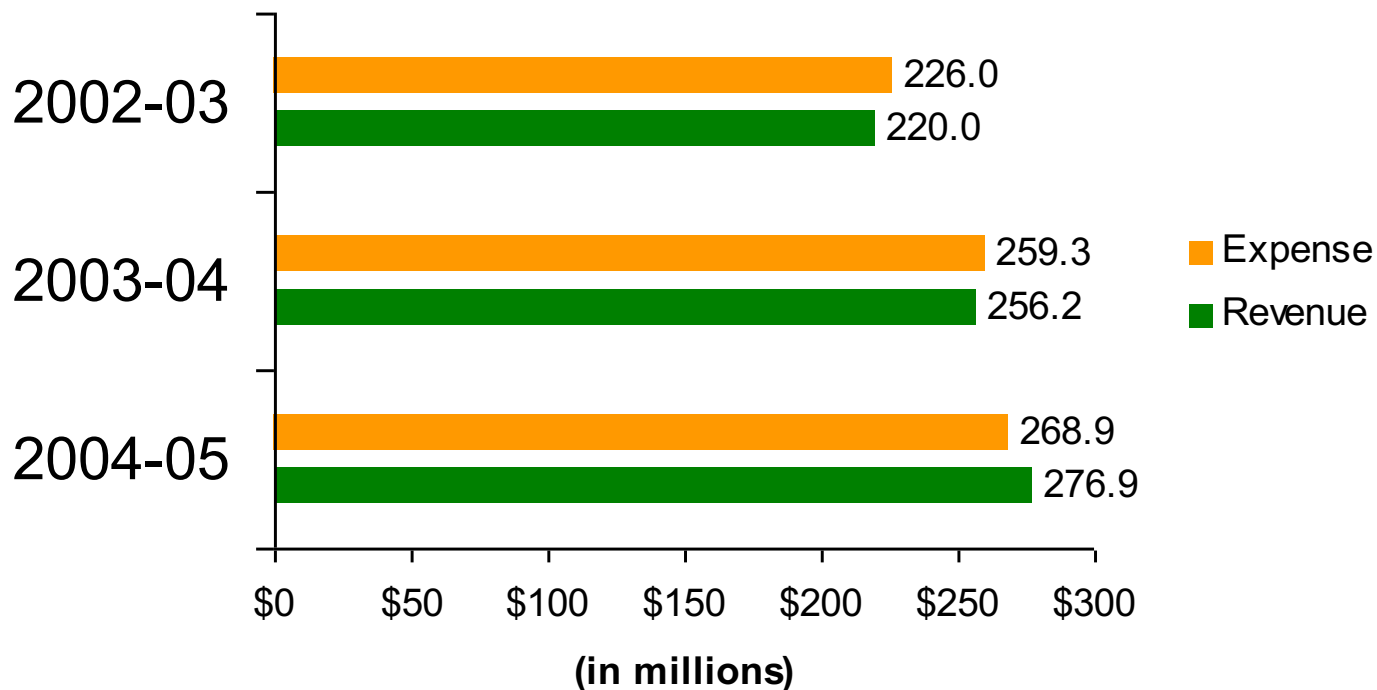
**in millions*





Fiscal Year 2004-05

➤ Expense vs. Revenues – Three year comparison





Fiscal Year 2004-05

➤ Financial Statement Highlights

- Income before Other Revenues improved from a \$3.1m deficit in FYE 2003-04, to an \$8.0m gain in FYE 2004-05.
- **This net change included absorbing the negative financial position of Athletics and Housing. No E&G funds were used to offset these balances.**
- The positive year-end cash was strongly influenced by the cost reduction strategy implemented during the second half of the fiscal year. This strategy included the following:
 - University payroll audit
 - Campus-wide purchasing freeze
 - Position restructuring
 - Restriction of P-cards
 - University-wide cellular phone restrictions
 - Restricted Travel





Fiscal Year 2004-05

PeopleSoft/ERP

- Transferred control of the PeopleSoft financial database, along with journal entries and journal vouchers from ERP, to the Controller's Office. This was completed on August 8th.
- The DOE submission was accomplished through the PeopleSoft upload to the Automated Financial System (AFS) administered by and the Inter-institutional Committee on Finance and Accounting Consortium (ICOFA).
- Accurately entered the Board of Trustees approved budget into the PeopleSoft system August 16th. ERP conversion issues from PeopleSoft to AFS delayed budget submission to DOE until September 2nd.





Fiscal Year 2004-05

Grants Administration

- Review of 2004-05 fiscal year grant reporting, implementing our National Science Foundation (NSF) grant process and performing a risk-based analysis on old grants.
- Assessed relative risk of current/active grants.
- Developed pre-audit procedures based on applicable Federal circulars.
- Established team to perform pre-audit procedures for selected at-risk grants
- After the NSF audit, the focus has shifted to closing inactive and completed grants.

