



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

**Thursday March 10, 2016
Agenda Item: VIIIA**

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Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____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: Five-Year Financial Plan for Intercollegiate Athletics

Rationale: The materials presented to the Board are accepted as providing assurance as follows:

- A comprehensive and reasonable plan has been developed to guide the financial operations of the Intercollegiate Athletics Division for the five fiscal years beginning July 1, 2016; and
- The operation of the Athletics Division over those five years will not unduly increase the risk that the University's other auxiliary funds will not be able to meet their needs as separate auxiliary funds; and
- University senior management has developed a reasonable plan to address and correct its past inappropriate accounting practices that did not recognize the value of services provided by Athletics to the University over the past decade
- The management of University owned assets that are included in the revenue assumptions of the five year plan, including those emanating from parking and media rights, resides with Director of the Department of Intercollegiate Athletics.

Attachments: Supporting Document A - Five-Year Financial Plan
Supporting Document B - Summary of FY 2016 through FY 2021
Supporting Document C- Background and Status Update
Supporting Document D - Excerpts from Approved Minutes of Board of Governors (BOG) Audit and Compliance Committee of June 18, 2015
Excel worksheets detailing year-by-year budget plans

Recommendation: Based on the Five-Year Financial Plan, Summary of FY 2016 through 2021, Background and Status Update and other documents presented to the Board, the Board of Trustees approves the Five-Year Financial Plan to address the financial stability of Athletics and the finding raised in the State of Florida Office of the Auditor General, Operational Audit Report No. 2014-108, dated February 2014.

ACTION Item – Supporting Document A

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
INTERCOLLEGIATE ATHLETICS DIVISION
FIVE-YEAR FINANCIAL PLAN
FY 2017-2021**

Executive Summary

The Florida Agricultural and Mechanical University (FAMU) Intercollegiate Athletics Department (“Athletics” or the “Department”) has developed a five-year fiscal plan designed ensure a self-reliant and financially sound athletics program. The plan provides for growth in revenues and a reduction of University support. By reducing the need for University support, the plan ensures that Athletics does not increase the risk that the other auxiliary enterprise operations (bookstore, food services vending, et al.) do not have the resources to meet their needs as separate auxiliary enterprises. Moreover, the projected increases in Athletics revenues address Finding No. 1 of Report No 2014-108 regarding the financing of the Department.

It should also be noted that the University auxiliary enterprises are considered financially sound and that recently executed contracts for food services, vending, and the bookstore will provide increased cash flow for these enterprises, thereby ensuring that the use of auxiliary funds to support Athletics will not put them at risk of not having enough resources to provide excellent service to students and to meet their operational needs.

Given that the auxiliaries can meet their operational needs, and no General Revenue Fund funding is used to support the Department, the University is, therefore, compliant with the Board of Governors Regulation 9.007 that requires that auxiliary services shall “support the educational endeavor of the institution and enhance its functioning; therefore, they shall not detract or distract from this basic endeavor in any way, financially or otherwise.”

Over the past decade, the Department, like the vast majority of athletics programs in the nation, has needed University support to balance its budget. As of June 30, 2007, the Athletics Department had an “amounts due to other funds” of \$3,221,170. The most recent audited and issued statements peg the amount due to other funds by Athletics as of June 30, 2014, at \$7,624,114.

Amounts due to/from other funds arise from inter-fund loans or services used/services provided between funds. For instance, one fund may make an advance to another fund, or one fund may provide services to another without payment at the time the services are provided.

The audited statements do not include any supporting documentation or notes demonstrating that these funds were intended to be repaid, nor are there any notes or loan

instruments indicating that these transfers were to be treated as loans requiring repayment.

Further, in reviewing the financial records of prior years, current senior leadership has become aware that while amounts reflecting support provided to Athletics by University departments were recorded, inconsistent accounting practices applied over the last decade resulted in tangible and financially quantifiable support provided by the Department to various units across the campus not being recorded as “amounts due from” the University.

Examples of this support include the value of parking for attendees at football games and similar events; the value of complimentary tickets to sporting events; multimedia rights; support for travel by both the University Band and the Cheer Team; and ticketing services related to non-athletic events, among other support areas.

While the review of supporting records is still underway, senior management believes that several million dollars of value for such services should have been recorded and summarized as amounts due from the University over the last ten years. Stated another way, expenses were charged to Athletics that should have been sourced from other units.

We have initiated a conversation with the independent auditing firm located in Jacksonville that has audited the stand-alone financial statements of the Department for four of the last five years concerning a plan to include a review of support for these “due from” amounts during the audit for the year ending June 30, 2016. The result of retroactively applying generally accepted governmental accounting principles to record “due from” amounts could result in a cumulative adjustment to the Department’s financial statements to record amounts that would offset the amounts that have been reflected as amounts due to the University.

In light of the current and expected future financial soundness of the University’s other auxiliary enterprises and the potential for recognizing amounts offsetting the recorded amounts due to the University, the five year plan for Athletics summarized in the accompanying attachment (see Document B) is based on achieving three strategic objectives:

1. Establishing a facility maintenance fund to address life safety issues
2. Building Athletics reserves to handle emergencies, and
3. Replenishing auxiliary cash accounts

Revenues are projected to increase by 43.9 percent above the 2015-2016 expected final budgetary outcome. The primary reason for this increase is the implementation of the Department’s Strategic Plan that includes a new 21st - century athletics revenue model that is efficient, monetizes traditional and non-traditional athletics assets, and grows 12 Athletic business lines substantially over the next five years.

The key components of this increase include an increase in Football Game Guarantees, from \$685,000 in the current year to \$2.6 million in 2020-2021, increase in licensing

revenues, from \$100,000 to 500,000, an increase in Athletics donations, from \$500,000 to \$1 million, and growth in advertising revenue over six years, from \$200,000 to \$1.2 million. Fundraising revenues are expected to grow from \$500,000 in the current year to \$700,000 in 2020-2021.

As stated above, the University is in the process of changing the way in which it derives revenues from guaranteed games. The new 21st - century revenue model allows the University to maximize non-conference football game revenues through game ownership rights that do not limit earned revenues. Prior non-conference games considered "Classics" limited football game revenues to a set talent fee defined by promoters or net revenues shared equally with opponents. The new revenue model provides FAMU primary ownership rights to all non-conference games defined as Classic in which it participates. Future Football Game Ownership Rights will provide the following additional benefits:

1. Ticket Sales: If ticket sales surpass an agreed upon threshold amount, FAMU will receive an incentive payment beyond the base guarantee amount.
2. Sponsorships: FAMU will be able to solicit sponsors for the engagement. FAMU will work with sponsors to acquire lucrative sponsorships. FAMU reserves the right to forbid sponsorship deemed detrimental to the institution.
3. Television Revenues: FAMU will be able to collect a percentage of any television revenues collected by the sponsor.

In addition to these revenue-based incentives, FAMU will gain brand recognition and benefit in the following areas:

1. Negotiated hotel rates with the best locations for fans to enhance attendance
2. Strategic introductions to corporate partners to build key relationships
3. Assisting FAMU with recruiting student-athletes

Along with implementing a new model for structuring game guarantees, the Department is implementing new models for athletic advertising, football and basketball season ticket sales, and fundraising.

The Department's Strategic Plan also includes operational goals and objectives that apply both defensive costs saving strategies that create efficiencies and aggressive offensive strategies that generate revenue growth as outlined below:

Efficiency Measures include:

1. Changes in the Department's organizational structure, implementing best practices and new practices, increasing focus on becoming self-reliant, and increasing accountability will help to ensure the revenue and expenditure benchmarks are fulfilled
2. Team travel expenses will be examined and competitive bids for service extended.

3. Existing service and competition contracts will be reviewed and adjusted (Example: Home/home contract with Costal Carolina did not include game guarantee, but has been adjusted to included a \$100,000 game guarantee)
4. Athletics will create unpaid internships and access more work-study students to reduce personnel expenses

Additional Revenue Growth Measures include

1. Building a proactive sales team
2. Adding an assistant AD for corporate/ticket sales
3. Restoring multimedia rights and game day parking inventory to Athletics
4. Launching an “Investing in Champions” annual giving campaign
5. Defining and executing a new on-line sales revenue strategy with an industry-leading vendor; and
6. Selecting new athletics apparel vendor(s)

Changes in the department’s organizational structure, implementing best practices and new practices, increasing focus on becoming self-reliant, and increasing accountability will combine to help ensure the projected revenue and expenditure benchmarks are fulfilled and that the University is compliant with BOG regulations regarding self-sufficiency.

In turn, these changes will alleviate previous operational audit findings that use of auxiliary enterprises’ funds to support Athletics should not put at risk service to students and the ability of auxiliaries to meet their operational needs.

Florida A&M University
Athletics Division
Summary of FY16 through FY2021 Budget Plans

Supporting Document B

Revenues:

Account	2016					2017					2018					2019					2020					2021						
	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget		
601000	3,795,318	3,400,000	3,500,000	3,600,000	3,600,000	289,269	450,000	480,000	500,000	510,000	685,000	1,100,000	1,600,000	1,800,000	2,250,000	76,346	75,000	100,000	125,000	150,000	175,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000		
602130																																
602131																																
602132																																
602133																																
602134																																
602136																																
602139																																
602141																																
602143																																
602153																																
602152																																
602150																																
604090																																
615001	3,107,303	2,980,985	2,722,104	2,947,440	2,895,879		20,000	30,000	35,000	35,000		20,000	30,000	35,000		20,000	30,000	35,000	35,000		20,000	30,000	35,000		20,000	30,000	35,000	35,000		20,000	30,000	35,000
Totals	10,616,094	11,618,485	12,779,604	13,834,940	14,598,379		11,618,485	12,779,604	13,834,940	14,598,379		11,618,485	12,779,604	13,834,940	14,598,379		11,618,485	12,779,604	13,834,940	14,598,379		11,618,485	12,779,604	13,834,940	14,598,379	15,287,304	17,583,514	78,734,805				

Operating Expenses

Account	2017					2018					2019					2020					2021									
	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	Budget	Expected Final	Budget	Budget	Budget	
Salary	3,756,166	3,931,289	4,009,915	4,220,113	4,304,516	290,062	292,963	295,892	298,851	301,840	3,781,199	3,916,993	3,992,493	4,199,502	4,280,652	784,372	840,558	854,881	885,068	900,236	914,831									
OPS																														
Total Expenses																														
Scholarships																														
Mandatories																														
Life Safety Reserve																														
	10,616,094	11,600,462	11,823,981	12,335,315	12,573,422		11,600,462	11,823,981	12,335,315	12,573,422		11,600,462	11,823,981	12,335,315	12,573,422		11,600,462	11,823,981	12,335,315	12,573,422		11,600,462	11,823,981	12,335,315	12,573,422	12,800,758	1,682,585	71,750,032		

Amount Available (short)

0	18,023	955,623	1,499,625	2,024,957	2,486,546	6,984,773
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Action Item - Supporting Document C

Background

In its Operational Audit Report No. 2014-108, dated February 2014, the State of Florida Office of the Auditor General Finding No. 1 was entitled Intercollegiate Athletic Programs – Financial Deficit, the following was stated as the rationale for its finding:

“Although the intercollegiate athletic programs are part of the Board’s approved budget for auxiliary enterprises, the continued use of cash resources of other auxiliary enterprises and agency fund by the intercollegiate athletic programs increases the risk that other auxiliary operations (bookstore, food service, parking, telecommunications and student housing) may be at risk of not having resources to meet their needs as separate auxiliary enterprises. Further, if the University’s other auxiliary enterprises or agency fund are unable to continue providing additional financial resources to the intercollegiate athletic programs, there is an increased risk that other University resources may be required to finance the University’s intercollegiate athletic programs.”

Status Update

The Board reviews and approves the budgets of the University’s auxiliary enterprises on an annual basis. Over the last two years, major contracts related to food service, the bookstore, pouring (drink vending) rights and snack vending have all been renegotiated resulting in additional auxiliary revenues approximating \$4.8 million being contractually obligated by our vendors over the next 10 years. Further, at June 30, 2018, the outstanding revenue bonds for the parking garage will be fully paid off and a debt service reserve fund approximating \$1.3 million will be released for other operational use.

These factors, and the five year budget plan for Athletics that reasonably projects net revenues over expenses of some \$6.9 million during the period from July 1, 2016 through June 30, 2021 (see Document B) could allow the Board of Trustees to conclude that the risk to other auxiliaries resulting from the ongoing operations of the University’s intercollegiate athletic programs is being effectively mitigated.

Action Item - Supporting Document D

The following is an excerpt from Minutes of the Board of Governors (BOG) Audit & Compliance Committee Meeting of June 18, 2015 – Minutes were approved at the BOG Meeting on January 20, 2016.

Update, Florida A&M University Corrective Action Plan

Mr. Maleszewski updated the Committee regarding the progress of the Florida A&M University Corrective Action Plan. Mr. Maleszewski agreed to conduct additional periodic follow-up on the items listed below and report the results at future committee meetings.

- 1) Intercollegiate Athletics Cash Deficit;
- 2) The President's efforts to establish a permanent and stable leadership team; and
- 3) Facilities and construction reviews, focused on two investigations that should be completed in the near future.

Mr. Kuntz motioned that the committee direct Mr. Maleszewski to ensure that FAMU prepares an Intercollegiate Athletics Cash Deficit Plan for FAMU Board of Trustees' consideration and approval. Mr. Morton seconded the motion. The motion was approved. (Italics added)

The following spreadsheets provide detail for SUPPORTING DOCUMENT B, the Summary of Budget Plans for the Athletics Division for the fiscal years ending June 30, 2017 through June 30, 2021, as follows:

<u>Year Ending June 30</u>	<u>Pages</u>
2017	1 – 2
2018	3 – 4
2019	5 – 6
2020	7 – 8
2021	9 - 10

Florida A&M University
Athletics Division
Building FY17 (July1, 2016 to June 30, 2017) Budget

Build 2017

Revenues:	AD		FY16		FY17		Account
	Budget	AD	FY16	Total	Total to	Expected	
	4,000,000	(600,000)	3,400,000	Point	Point	Final	
	450,000		450,000			3,400,000	601000 Student Fees net of waivers
	1,100,000		1,100,000			450,000	602130 Football Gate Receipts
	75,000		75,000			1,100,000	602131 Game Guarantees
	10,000		10,000			75,000	602132 Athletic Concession Sales
	450,000		450,000			10,000	602133 Athletic Program Sales
	400,000		400,000			450,000	602134 Football Season Tickets
	150,000		150,000			400,000	602136 Athletic Advertising Sales
	450,000		450,000			150,000	602139 Royalty
	25,000		25,000			450,000	602141 NCAA Revenues
	200,000		200,000			25,000	602143 Basketball Ticket Sales
	250,000		250,000			200,000	Basketball Game Guarantees
	850,000		850,000			250,000	602153 MEAC Revenue
	7,500		7,500			850,000	602152 Florida Classic Consortium
	500,000		500,000			7,500	602150 Other Auxiliary Revenue
	300,000		300,000			500,000	604090 Athletics Fundraising
	20,000		20,000			300,000	Parking
	800,000		800,000			20,000	Facility Rentals
	10,037,500		10,037,500			2,023,149	615001 DSO & Auxiliary Support
						957,836	
						10,660,649	
						957,836	
						11,618,485	

Projected Expenditures	Prior Year		FY16		FY17		Expense Detail
	+ Inflation	FY16	Total	Total	Total to	Expected	
	0.02	3,524,341	3,624,341	3,624,341	Point	Final	
Salary	0.01	292,963	292,963	292,963	292,963	3,931,289	3,931,289
OPS						292,963	292,963
		1,543,209	1,543,209	1,543,209		1,543,209	1,543,209
		114,067	114,067	114,067		114,067	114,067
		46,971	46,971	46,971		46,971	46,971
		52,020	52,020	52,020		142,020	142,020
		218,076	218,076	218,076		218,076	218,076
		77,112	77,112	77,112		227,112	227,112
		70,451	70,451	70,451		70,451	70,451
		73,807	73,807	73,807		73,807	73,807
		318,709	318,709	318,709		318,709	318,709
		134,191	134,191	134,191		134,191	134,191
		10,200	10,200	10,200		10,200	10,200
		218,066	218,066	218,066		218,066	218,066
		150,980	150,980	150,980		150,980	150,980
		33,548	33,548	33,548		112,200	145,748
		293,386	293,386	293,386		503,386	503,386
		3,354,793	3,714,793	3,714,793		3,316,993	3,916,993
Total Expenses	0.02	3,354,793	3,714,793	3,714,793		3,316,993	3,916,993
Life Safety Reserve						319,279	319,279
Scholarships	0.02	1,885,381	1,885,381	1,885,381		2,299,381	2,299,381
Mandatories	0.01	202,000	202,000	202,000		638,558	840,558
		8,959,478	8,959,478	8,959,478		10,642,626	11,600,462
						957,836	957,836
						11,618,485	11,618,485

18,023 Available

FY 17 Clarifying Detail

Expense Adds not in FY16 Budget

Expenses: add	
Salaries:	100,000
Terminal Leave	150,000
Medical	160,000
Other Exp:	50,000
Compliance	460,000
Other Exp:	
Post-Season	
	<u>460,000</u>

Scholarship add
FY16 under budgeted

	250,000
Total Expense Corrections	<u>710,000</u>

More Detail

Added Support	Prior Year + Inflation
Assumed Inflation %	
2% 3 Acad Advisors	164,749
2% 1 Financial Aid	60,423
2% 4 Grad Assts	81,776
	<u>306,949</u>

2% Scholarships	714,000
Total Scholarship Adds	<u>714,000</u>

Expense Support	
Unbilled Expenses	
0% Utilities	90,000
2% Buildings & Grounds	112,200
Total Expenses	<u>202,200</u>

Total Added Support	1,223,149
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Add'l Mandatories	
Life Safety Reserv	3%
Admin Expense	6%
Total Mandatory Adds	
	319,279
	638,558
	<u>957,836</u>

Florida A&M University
Athletics Division
Building FY18 (July 1, 2017 to June 30, 2018) Budget

Build 2018

Revenues:	AD		FY18		Account
	Budget	Added Support	Total to Point	Mandatory Adds	
	4,114,504	(614,504)	3,500,000		601000 Student Fees net of waivers
	480,000		480,000		602130 Football Gate Receipts
	1,600,000		1,600,000		602131 Game Guarantees
	100,000		100,000		602132 Athletic Concession Sales
	15,000		15,000		602133 Athletic Program Sales
	500,000		500,000		602134 Football Season Tickets
	750,000		750,000		602136 Athletic Advertising Sales
	300,000		300,000		602139 Royalty
	500,000		500,000		602141 NCAA Revenues
	30,000		30,000		602143 Basketball Ticket Sales
	200,000		200,000		Basketball Game Guarantees
	260,000		260,000		602153 MEAC Revenue
	860,000		860,000		602152 Florida Classic Consortium
	7,500		7,500		602150 Other Auxiliary Revenue
	600,000		600,000		604090 Athletics Fundraising
	325,000		325,000		Parking
	30,000		30,000		Facility Rentals
	500,000	1,245,812	1,745,812	976,292	615001 DSO & Auxiliary Support
	11,172,004	631,308	11,803,312	976,292	
					12,779,604

Projected Expenditures	Inflation %	Prior Year		FY18		
		+ Inflation	Added Support	Total to Point	Mandatory Adds	Expected Final
Salary	0.02	3,696,828	313,088	4,009,915		4,009,915
OPS	0.01	295,892		295,892		295,892

Expense Detail	Prior Year		FY18			
	+ Inflation	Added Support	Total to Point	Mandatory Adds	Expected Final	
Travel	0.02	1,574,073		1,574,073		1,574,073
Player Supplies	0.02	116,348		116,348		116,348
Telephone	0.02	47,910		47,910		47,910
Utilities	0	52,020	90,000	142,020		142,020
Repairs and maintenance	0.02	222,438		222,438		222,438
Medical	0.02	231,654		231,654		231,654
Capital outlay	0.02	71,860		71,860		71,860
Printing	0.02	75,283		75,283		75,283
Insurance	0.02	325,083		325,083		325,083
Training table and meals	0.02	136,875		136,875		136,875
Game guarantee expense	0.02	10,404		10,404		10,404
Game Officials	0.02	222,427		222,427		222,427
Contracted services	0.02	154,000		154,000		154,000
Buildings and grounds	0.02	34,219	114,444	148,663		148,663
Other Expenses	0.02	513,453		513,453		513,453
	0.02	3,788,049	204,444	3,992,493		3,992,493
Life Safety Reserve	0.02	1,617,089	728,280	2,345,369	325,431	325,431
Scholarships	0.01	204,020		204,020	650,861	854,881
Mandatories		9,601,877	1,245,812	10,847,689	976,292	11,823,981

Total Expenses 9,601,877 1,245,812 10,847,689 976,292 11,823,981

Life Safety Reserve 1,617,089 728,280 2,345,369 325,431 325,431

Scholarships 204,020 204,020 204,020 650,861 854,881

Mandatories 9,601,877 1,245,812 10,847,689 976,292 11,823,981

955,623 Available

FY 18 Clarifying Detail

Assumed		
Inflation %	<u>Salary Support</u>	
2% 3 Acad Advisors		168,044
2% 1 Financial Aid		61,631
2% 4 Grad Assts		83,412
		<u>313,088</u>
2% Scholarships		<u>728,280</u>
	<u>Unbilled Expenses</u>	
0% Utilities		90,000
2% Buildings and grounds		114,444
		<u>204,444</u>
	Total Added Support	1,245,812
	<u>Add'l Mandatories</u>	
	Life Safety Reserv	3% 325,431
	Admin Expense	6% 650,861
	Total Mandatory Adds	<u>976,292</u>

Florida A&M University
Athletics Division
Building FY19 (July 1, 2018 to June 30, 2019) Budget

Build 2019

Revenues:	AD		FY19		Account
	Budget	Added	Total to	Expected	
	4,114,504	(514,504)	Point	Final	
	500,000		3,600,000	3,600,000	601000 Student Fees net of waivers
	1,800,000		1,800,000	500,000	602130 Football Gate Receipts
	125,000		125,000	1,800,000	602131 Game Guarantees
	15,000		15,000	125,000	602132 Athletic Concession Sales
	550,000		550,000	15,000	602133 Athletic Program Sales
	900,000		900,000	550,000	602134 Football Season Tickets
	500,000		500,000	900,000	602136 Athletic Advertising Sales
	500,000		500,000	500,000	602139 Royalty
	35,000		35,000	500,000	602141 NCAA Revenues
	200,000		200,000	35,000	602143 Basketball Ticket Sales
	300,000		300,000	200,000	Basketball Game Guarantees
	870,000		870,000	300,000	602153 MEAC Revenue
	7,500		7,500	870,000	602152 Florida Classic Consortium
	2,100,000	(1,500,000)	600,000	7,500	602150 Other Auxiliary Revenue
	350,000		350,000	600,000	604090 Athletics Fundraising
	400,000		400,000	350,000	Parking
		1,528,928	1,528,928	35,000	Facility Rentals
		(485,576)	12,816,428	1,018,512	615001 DSO & Auxiliary Support
	13,302,004		13,302,004	12,816,428	

Expenditures	Prior Year		FY19		Account
	Inflation %	Added	Total to	Expected	
	0.02	Support	Point	Final	
Salary	0.02	3,770,764	449,349	4,220,113	4,220,113
OPS	0.01	298,851		298,851	298,851
	0.02	1,605,555		1,605,555	
	0.02	118,675		118,675	
	0.02	48,869		48,869	
	0	52,020	90,000	142,020	
	0.02	226,886		226,886	
	0.02	236,287		236,287	
	0.02	73,298		73,298	
	0.02	76,789		76,789	
	0.02	331,585		331,585	
	0.02	139,613		139,613	
	0.02	10,612		10,612	
	0.02	226,876		226,876	
	0.02	157,080		157,080	
	0.02	34,903	116,733	151,636	
	0.02	523,722	130,000	653,722	
	0.02	3,862,769	336,733	4,199,502	
Total Expenses				4,199,502	
Life Safety Reserve	0.02	1,649,430	742,846	2,392,276	
Scholarships	0.01	206,060	206,060	885,068	
Mandatory		1,528,928	1,018,512	12,335,315	
		9,787,875	11,316,803	1,499,625	Available

Expense Detail
Travel
Player Supplies
Telephone
Utilities
Repairs and maintenance
Medical
Capital outlay
Printing
Insurance
Training table and meals
Game guarantee expense
Game Officials
Contracted services
Buildings and grounds
Other Expenses

FY 19 Clarifying Detail

Assumed		
Inflation %	<u>Salary Support</u>	
2% 3 Acad Advisors		171,405
2% 1 Financial Aid		62,864
2% 4 Grad Assts		85,080
	Post NCAA Grant	130,000
		<u>449,349</u>
	2% Scholarships	742,846
	<u>Unbilled Expenses</u>	
0% Utilities		90,000
2% Buildings & Grounds		116,733
	Post Grant Compliance	130,000
		<u>336,733</u>
	Total Added Support	1,528,928
	<u>Add'l Mandatories</u>	
	Life Safety Reserv	3% 339,504
	Admin Expense	6% 679,008
	Total Mandatory Adds	<u>1,018,512</u>

Florida A&M University
Athletics Division

Building FY20 (July 1, 2019 to June 30, 2020) Budget

Build 2020

Revenues:	AD Budget		Added Support	Total to Point		Mandatory Adds		FY20 Expected Final		Account
	4,114,504	(514,504)		3,600,000	3,600,000			3,600,000		
	510,000			510,000				510,000	601000 Student Fees net of waivers	
	2,250,000			2,250,000				2,250,000	602130 Football Gate Receipts	
	150,000			150,000				150,000	602131 Game Guarantees	
	15,000			15,000				15,000	602132 Athletic Concession Sales	
	550,000			550,000				550,000	602133 Athletic Program Sales	
	1,100,000			1,100,000				1,100,000	602134 Football Season Tickets	
	550,000			550,000				550,000	602139 Royalty	
	500,000			500,000				500,000	602141 NCAA Revenues	
	50,000			50,000				50,000	602143 Basketball Ticket Sales	
	200,000			200,000				200,000	Basketball Game Guarantees	
	300,000			300,000				300,000	602153 MEAC Revenue	
	885,000			885,000				885,000	602152 Florida Classic Consortium	
	7,500			7,500				7,500	602150 Other Auxiliary Revenue	
	2,150,000	(1,550,000)		600,000				650,000	604090 Athletics Fundraising	
	350,000			350,000				350,000	Parking	
	35,000			35,000				35,000	Facility Rentals	
	300,000	1,557,706		1,857,706		1,038,172		2,895,879	615001 DSO & Auxiliary Support	
	14,017,004	(456,798)		13,560,206		1,038,172		14,598,379		

Projected Expenditures	Inflation %	Prior Year		Total to Point		Mandatory Adds		FY20 Expected Final		Expense Detail
		1,637,666	3,846,179	458,336	4,304,516			4,304,516		
Salary	0.02	1,637,666	3,846,179	458,336	4,304,516			4,304,516	Travel	
OPS	0.01	301,840	301,840		301,840			301,840	Player Supplies	
	0.02	121,048			121,048			121,048	Telephone	
	0.02	49,846			49,846			49,846	Utilities	
	0	52,020		90,000	142,020			142,020	Repairs and maintenance	
	0.02	231,424			231,424			231,424	Medical	
	0.02	241,013			241,013			241,013	Capital outlay	
	0.02	74,764			74,764			74,764	Printing	
	0.02	78,325			78,325			78,325	Insurance	
	0.02	338,217			338,217			338,217	Training table and meals	
	0.02	142,405			142,405			142,405	Game guarantee expense	
	0.02	10,824			10,824			10,824	Game Officials	
	0.02	231,413			231,413			231,413	Contracted services	
	0.02	160,222			160,222			160,222	Buildings and grounds	
	0.02	35,601		119,068	154,669			154,669	Other Expenses	
	0.02	534,197		132,600	666,797			666,797		
	0.02	3,938,984		341,668	4,280,652			4,280,652		
Total Expenses										
Life Safety Reserve	0.02	1,682,419		757,703	2,440,121		346,057	346,057		
Scholarships	0.01	208,121			208,121			208,121		
Mandatory		9,977,543		1,557,707	11,535,250		1,038,172	12,573,422		

2,024,957 Available

FY 20 Clarifying Detail

Assumed		
Inflation %	<u>Salary Support</u>	
2% 3 Acad Advisors		174,833
2% 1 Financial Aid		64,121
2% 4 Grad Assts		86,782
2% Post NCAA Grant		<u>132,600</u>
		458,336
2% Scholarships		757,703
	<u>Unbilled Expenses</u>	
0% Utilities		90,000
2% Life Safety Reserve		119,068
2% Post Grant Compliance		<u>132,600</u>
		341,668
	Total Added Support	1,557,706
	<u>Add'l Mandatories</u>	
3%	Repair/replace	346,057
6%	Admin Expense	692,115
	Total Mandatory Adds	<u>1,038,172</u>

Build 2021

Revenues:	AD Budget		Added Support		Total to Point		Mandatory Adds		FY21 Expected Final		Account
	4,114,504	514,504	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	
	525,000		525,000		525,000		525,000		525,000	525,000	Student Fees net of waivers
	2,600,000		2,600,000		2,600,000		2,600,000		2,600,000	2,600,000	Football Gate Receipts
	175,000		175,000		175,000		175,000		175,000	175,000	Game Guarantees
	15,000		15,000		15,000		15,000		15,000	15,000	Athletic Concession Sales
	600,000		600,000		600,000		600,000		600,000	600,000	Athletic Program Sales
	1,200,000		1,200,000		1,200,000		1,200,000		1,200,000	1,200,000	Football Season Tickets
	550,000		550,000		550,000		550,000		550,000	550,000	Athletic Advertising Sales
	500,000		500,000		500,000		500,000		500,000	500,000	Royalty
	50,000		50,000		50,000		50,000		50,000	50,000	NCAA Revenues
	250,000		250,000		250,000		250,000		250,000	250,000	Basketball Ticket Sales
	300,000		300,000		300,000		300,000		300,000	300,000	Basketball Game Guarantees
	900,000		900,000		900,000		900,000		900,000	900,000	MEAC Revenue
	7,500		7,500		7,500		7,500		7,500	7,500	Florida Classic Consortium
	350,000		350,000		350,000		350,000		350,000	350,000	Other Auxiliary Revenue
	300,000		1,572,860		1,872,860		1,056,943		2,929,804	2,929,804	Athletics Fundraising
	14,672,004		(441,644)		14,230,360		1,056,943		15,287,304	15,287,304	Parking
											Facility Rentals
											DSO & Auxiliary Support

Projected Expenditures	Inflation %	Prior Year		Added Support		Total to Point		Mandatory Adds		FY21 Expected Final	
		3,923,103	458,836	4,381,439	4,381,439	4,381,439	4,381,439	4,381,439	4,381,439	4,381,439	4,381,439
Salary	0.02	304,858		304,858		304,858		304,858		304,858	304,858
OPS	0.01										
	0.02	1,670,419		1,670,419		1,670,419		1,670,419		1,670,419	Travel
	0.02	123,469		123,469		123,469		123,469		123,469	Player Supplies
	0.02	50,843		50,843		50,843		50,843		50,843	Telephone
	0	52,020	90,000	142,020		142,020		142,020		142,020	Utilities
	0.02	236,052		236,052		236,052		236,052		236,052	Repairs and maintenance
	0.02	245,833		245,833		245,833		245,833		245,833	Medical
	0.02	76,259		76,259		76,259		76,259		76,259	Capital outlay
	0.02	79,891		79,891		79,891		79,891		79,891	Printing
	0.02	344,981		344,981		344,981		344,981		344,981	Insurance
	0.02	145,253		145,253		145,253		145,253		145,253	Training table and meals
	0.02	11,041		11,041		11,041		11,041		11,041	Game guarantee expense
	0.02	236,041		236,041		236,041		236,041		236,041	Game Officials
	0.02	163,426		163,426		163,426		163,426		163,426	Contracted services
	0.02	36,313	119,068	155,381		155,381		155,381		155,381	Buildings and grounds
	0.02	544,881	132,600	677,481		677,481		677,481		677,481	Other Expenses
	0.02	4,016,724	341,668	4,358,391		4,358,391		4,358,391		4,358,391	
Total Expenses											
Life Safety Reserve	0.02	1,716,067	772,857	2,488,924		2,488,924		2,488,924		2,488,924	
Scholarships	0.01	210,102		210,102		210,102		210,102		210,102	
Mandatory		10,170,954	1,572,860	11,743,814		1,056,943		12,800,758		12,800,758	

2,486,546 Available

FY 21 Clarifying Detail

Assumed

Inflation %	<u>Salary Support</u>	
2% 3 Acad Advisors		174,833
2% 1 Financial Aid		64,121
2% 4 Grad Assts		86,782
2% Post NCAA Grant		<u>132,600</u>
		458,336
2% Scholarships		772,857
	<u>Unbilled Expenses</u>	
0% Utilities		90,000
2% Buildings & Grounds		119,068
2% Post Grant Compliance		<u>132,600</u>
		341,668
	Total Added Support	1,572,860
	<u>Add'l Mandatories</u>	
Life Safety Reserv	3%	352,314
Admin Expense	6%	<u>704,629</u>
Total Mandatory Adds		1,056,943