

ITEM: INFO-1

University of Central Florida
Board of Trustees
Finance and Facilities Committee

SUBJECT: University Operating Budget Report Quarter Ended March 31, 2014

DATE: May 22, 2014

For information only.

EXHIBIT 3
Witness Manera
Date 2/18/19
Reporter: Judy Chin

**University of Central Florida
Operating Budget Status**

March 31, 2014

Year-to-Date Activity and Variances

The attached reports include revenues and expenditures for the nine months ending March 31, 2014, compared to the operating budget. Student credit hours are consistent with the enrollment plan and are slightly less than the prior year by 1.1 percent. Revenue and expenditures as a percentage of budget are 4.8 percent and 0.4 percent, respectively, higher than last year. Overall, revenues and expenditures as a percent of the operating budget are 73 percent and 63 percent, respectively. Specific activities and variances in certain budget categories are described below.

Educational & General

E&G revenues increased \$61.2 million. State appropriations increased \$54.8 million and tuition and fees increased \$7.8 million, which includes an increase in Summer tuition revenue resulting from the Fall 2012 rate increase, and the 1.7 percent consumer price index increase to undergraduate base tuition.

E&G expenditures increased by \$0.7 million. Salaries and benefits increased \$8.7 million, which includes headcount increases, pay rate increases, and legislative increases in employer contributions to fund state retirement plans. The increase in salaries and benefits was offset by a \$9.6 million decrease in facilities and improvement costs.

Medical School

Medical school revenues increased by \$2.9 million primarily due to increased student fees and state appropriations.

Medical school expenditures increased by \$0.6 million. Salaries and benefits increased \$0.5 million.

Auxiliary Enterprises

Auxiliary revenues increased by \$19.8 million. \$14.4 million of the increase was related to an accounting change for utilities by facility operations. Computer Services and Technology revenues increased \$2.1 million primarily due to campus-network improvements funded from technology fees and other projects. Housing revenues increased \$3.4 million due to the opening of additional housing facilities.

Expenditures increased by \$22.8 million. Utilities increased \$12.4 million primarily due to the accounting change for facility operations. Salaries and benefits increased \$4.4 million, which includes headcount increases, pay rate increases, and increases in employer rates for retirement plans. Computer Services and Technology purchases for resale increased \$3.5 million. Athletic conference obligations were \$3.4 million, a significant portion of which will be reimbursed to the university in the fourth quarter of fiscal year 2014. These increases were offset by a \$3.2 million decrease in license expenditures associated with the prior year WUCF TV license purchase.

**University of Central Florida
Operating Budget Status**

March 31, 2014

Sponsored Research

Sponsored research revenues increased \$5.4 million primarily attributable to a change in accounting in conjunction with the implementation of a new financial systems accounts receivable module. Historically, revenues were recorded on a cash basis throughout the year with a conversion to accrual basis for year-end financial reporting. Beginning in November 2013, revenues are now recorded on an accrual basis throughout the year.

Expenditures decreased \$7.7 million. Prior year expenses included \$4.1 million for facility improvement. Capital purchases decreased by \$1.8 million due to fewer equipment purchases for the Florida Solar Energy Center's Sunsmart School project.

Student Financial Aid

Revenues decreased \$0.7 million. Actual activity showed a decrease in federal funds for the Direct Lending programs of \$3.4 million and a decrease of \$2.3 million for Bright Futures Scholarships, offset by increases in funding for federal Pell Grants of \$2.7 million and combined increases in First Generation Grants, Private Loans, Federal Work Study Program, and College of Medicine Institutional Scholarships totaling \$2.7 million.

Expenditures increased \$1.7 million. Need-based student awards increased \$2.1 million offset by a \$1.2 million decrease in non-need-based student awards. Salaries and benefits increased \$0.8 million primarily from increases in employment of student assistants.

Student Activities

Revenues and expenses remain consistent with the prior year.

Concessions

Revenues and expenses remain consistent with the prior year.

Technology Fee

Technology fee revenues were consistent with the prior year.

Technology fee expense variances are due to timing differences in the progress of the various projects. Approximately 27 percent of 2013-14 and 97 percent of 2012-13 and prior years' awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress.

University of Central Florida Operating Budget Report

as of March 31, 2014 (75% of year)

2013-14

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 426,971,944	\$ 328,084,578	\$ 605,918,672	54.1%	70.5%	\$ 98,887,365	\$ 121,024,562
Medical School	26,875,329	21,139,083	48,166,720	43.9%	55.8%	5,736,246	14,496,365
Auxiliary Enterprises	134,560,696	114,854,643	188,545,104	60.9%	71.4%	19,706,053	159,354,663
Sponsored Research	107,047,538	87,284,258	150,912,000	57.8%	70.9%	19,763,279	23,797,770
Student Financial Aid	408,623,831	410,356,738	521,544,307	78.7%	78.3%	(1,732,907)	28,560,028
Student Activities	15,292,716	13,195,029	21,945,080	60.1%	69.7%	2,097,687	8,954,497
Concessions	468,151	170,103	420,000	40.5%	111.5%	298,048	884,687
Technology Fee	7,492,554	5,940,167	9,945,000	59.7%	75.3%	1,552,387	4,711,636
	\$ 1,127,332,758	\$ 981,024,599	\$ 1,547,396,883	63.4%	72.9%	\$ 146,308,159	\$ 361,784,208

2012-13

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 365,733,190	\$ 327,310,902	\$ 581,424,002	56.3%	62.9%	\$ 38,422,288	\$ 165,730,164
Medical School	23,944,326	20,527,384	42,378,001	48.4%	56.5%	3,416,942	11,135,112
Auxiliary Enterprises	114,713,601	91,977,244	174,983,999	52.6%	65.6%	22,736,357	131,685,970
Sponsored Research	101,614,441	94,989,651	154,597,904	61.4%	65.7%	6,624,790	22,505,218
Student Financial Aid	409,316,068	408,653,452	539,721,705	75.7%	75.8%	662,616	28,066,695
Student Activities	15,671,380	12,908,570	22,186,188	58.2%	70.6%	2,762,810	9,350,292
Concessions	505,029	196,349	380,000	51.7%	132.9%	308,680	637,249
Technology Fee	7,679,132	5,117,019	11,075,000	46.2%	69.3%	2,562,113	6,323,487
	\$ 1,039,177,167	\$ 961,680,571	\$ 1,526,746,799	63.0%	68.1%	\$ 77,496,596	\$ 375,434,187

University of Central Florida Operating Expenditure Report

as of March 31, 2014 (75% of year)

2013-14

	Expenditures - Amount				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 233,711,688	\$ 89,317,772	\$ 5,055,119	\$ -	\$ 328,084,578
Medical School	14,770,405	5,858,030	510,647	-	21,139,083
Auxiliary Enterprises	33,765,325	70,957,160	1,081,625	9,050,533	114,854,643
Sponsored Research	41,837,247	41,961,019	3,485,992	-	87,284,258
Student Financial Aid	2,899,735	407,457,002	-	-	410,356,738
Student Activities	6,786,837	6,370,689	37,503	-	13,195,029
Concessions	645	169,458	-	-	170,103
Technology Fee	46,427	3,048,229	2,845,511	-	5,940,167
	\$ 333,818,309	\$ 625,139,359	\$ 13,016,398	\$ 9,050,533	\$ 981,024,599

	Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	71.2%	27.2%	1.5%	-	100.0%
Medical School	69.9%	27.7%	2.4%	-	100.0%
Auxiliary Enterprises	29.4%	61.8%	0.9%	7.9%	100.0%
Sponsored Research	47.9%	48.1%	4.0%	-	100.0%
Student Financial Aid	0.7%	99.3%	-	-	100.0%
Student Activities	51.4%	48.3%	0.3%	-	100.0%
Concessions	0.4%	99.6%	-	-	100.0%
Technology Fee	0.8%	51.3%	47.9%	-	100.0%
	34.0%	63.7%	1.3%	0.9%	100.0%

2012-13

	Expenditures - Amount				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 224,966,687	\$ 96,918,312	\$ 5,425,903	\$ -	\$ 327,310,902
Medical School	14,317,105	5,651,140	559,139	-	20,527,384
Auxiliary Enterprises	29,346,151	51,650,553	1,666,662	9,313,878	91,977,244
Sponsored Research	41,826,404	47,910,547	5,252,682	18	94,989,651
Student Financial Aid	2,106,874	406,489,807	56,771	-	408,653,452
Student Activities	6,551,522	6,299,396	57,652	-	12,908,570
Concessions	114	196,235	-	-	196,349
Technology Fee	94,576	4,078,966	943,477	-	5,117,019
	\$ 319,209,433	\$ 619,194,956	\$ 13,962,286	\$ 9,313,896	\$ 961,680,571

	Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	68.7%	29.6%	1.7%	-	100.0%
Medical School	69.7%	27.5%	2.7%	-	100.0%
Auxiliary Enterprises	31.9%	56.2%	1.8%	10.1%	100.0%
Sponsored Research	44.0%	50.4%	5.5%	0.0%	100.0%
Student Financial Aid	0.5%	99.5%	0.0%	-	100.0%
Student Activities	50.8%	48.8%	0.4%	-	100.0%
Concessions	0.1%	99.9%	-	-	100.0%
Technology Fee	1.8%	79.7%	18.4%	-	100.0%
	33.2%	64.4%	1.5%	1.0%	100.0%

University of Central Florida Operating Budget Report

as of March 31, 2014 (75% of year)

Statistical Information

Student Credit Hours¹

Actual Compared to UCF Plan

	2013-14				2012-13			
	Actual	Plan	Difference	% Variance	Actual	Plan	Difference	% Variance
Summer ²	228,164	228,060	104	0.0%	235,805	240,038	(4,233)	-1.8%
Fall	644,246	643,743	503	0.1%	649,923	667,522	(17,599)	-2.6%
Spring ³	619,488	616,987	2,501	0.4%	622,636	648,722	(26,087)	-4.0%
	1,491,898	1,488,790	3,108	0.2%	1,508,364	1,556,282	(47,919)	-3.1%

Current Year Compared to Prior Year

	2013-14				2012-13			
	2013-14	2012-13	Difference	% Variance	2012-13	2011-12	Difference	% Variance
Summer ²	228,164	235,805	(7,641)	-3.2%	235,805	232,108	3,697	1.6%
Fall	644,246	649,923	(5,678)	-0.9%	649,923	647,221	2,702	0.4%
Spring ³	619,488	622,636	(3,148)	-0.5%	622,636	624,479	(1,844)	-0.3%
	1,491,898	1,508,364	(16,467)	-1.1%	1,508,364	1,503,808	4,556	0.3%

Additional Statistical Information

	2013-14	2012-13	Difference	% Variance
Student headcount - Fall 2013 and 2012	59,770	59,785	(15)	0.0%
Percent in-state students - Fall 2013 and 2012	94.7%	94.8%	-0.1%	
Foundation endowment - June 30, 2013, and 2012	\$133,827,336	\$121,087,980	\$ 12,739,356	10.5%
Foundation assets - June 30, 2013, and 2012	\$263,770,330	\$244,702,384	\$ 19,067,946	7.8%
On-campus housing, including Greek housing ⁴	6,900			
Rosen Campus housing ⁴	388			
Affiliated housing ⁴	3,723			
Managed housing ⁴	594			
Gross square footage - Orlando Campus ⁴	9,844,897			
Acreage - Orlando Campus ⁴	1,415			

¹ Medical students are not included in student credit hours.

² Summer 2013 data. Summer 2014 will be included in 2014-15 reporting.

³ Spring 2014 is preliminary data.

⁴ As of Fall 2013

University of Central Florida Operating Budget Status

Explanation of Terms

Budgets

Educational & General. The Educational & General budget includes expenditures for instructional activities and related administrative support. This budget is funded by general revenue, Educational Enhancement funds, and student fees. E&G student fees include tuition and out-of-state fees.

Auxiliary Enterprises. Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover expenditures and allow for future renovations and building or equipment replacement, if applicable. Several of the auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services and Material and Supply Fees.

Sponsored Research. Sponsored research includes research activities that are funded by federal, state, local, and private funds.

Student Financial Aid. The student financial aid budget largely represents scholarship and loan funds that are received by the university and subsequently disbursed to students. Large disbursements of these funds occur at the beginning of the fall and spring semesters. The expenditures in this budget will, therefore, not coincide with the months remaining in the year.

Student Activities. The student activities budget is funded by the Activity and Service Fee paid by the students and includes expenditures for student government and student clubs and organizations. This budget also includes all expenditures for the Student Union and the Recreation and Wellness Center. Expenditures for these entities are funded by the Activity and Service Fee and by revenue generated through functions in the facilities.

Concessions. The concessions budget is funded from vending machine revenue. These funds are used for events and other expenditures that support the university.

Technology Fee. The technology fee was established in January 2009 as allowed by Florida Statute 1009.24. The university began charging 5 percent of the tuition per credit hour beginning in the fall term of the 2009-10 academic years. A committee and guidelines for the allocation and use of the technology resources were established. The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

University of Central Florida Operating Budget Status

Explanation of Terms

Expenditure Categories

Salaries and Benefits. Salaries and benefits include salary payments, along with employer benefit costs, including FICA, health insurance, life insurance, disability insurance, and pre-tax benefits. Benefits are approximately 30 percent of salaries for permanent employees.

Expenses. Expenses include office supplies, repairs, maintenance costs, contract services, and all other items not included as salaries, capital purchases, or debt service.

Capital Purchases. Capital purchases include personal property with a value of \$5,000 or more and library resources with a value of \$250 or more, and an expected life of one year or more.

Debt Service. Debt service includes principal and interest payments on bonds and other loans within the university.