

# UNIVERSITY OF NORTHERN COLORADO: FINANCIAL REPORT

## 12/31/2011

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### OVERVIEW

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Financial highlights of the 2<sup>nd</sup> quarter financial report for fiscal year 2011-12 are summarized below:

#### **Cash**

- The University's cash position remains strong at \$70.0 million.

#### **Reserves**

- The CLIFF reserve remains at the 1<sup>st</sup> quarter balance of \$19.7 million.

#### **Accounts Receivable**

- The 2<sup>nd</sup> quarter net accounts receivable is \$4.5 million, which is less than the previous year at this time.

#### **Budget to Forecast**

- At the end of the 2<sup>nd</sup> quarter, we forecast that actual revenue less expenses and transfers will be \$12.2 million favorable to budget for the fiscal year.

## CASH

The University's cash position is approximately \$13.6 million higher than the previous fiscal year. Figures 1 and 2 below show amounts available for Operating, Innovation and Multi-year, Capital Projects and Reserves. (Note: Restricted funds have money owed to them from the grantors. Until the restricted funds are received, the balances are supported by operating funds.)

Figure 1

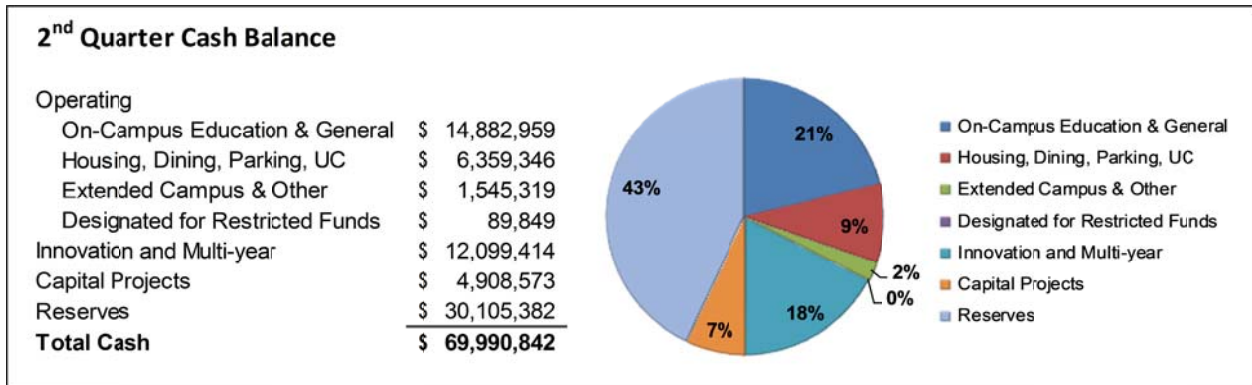
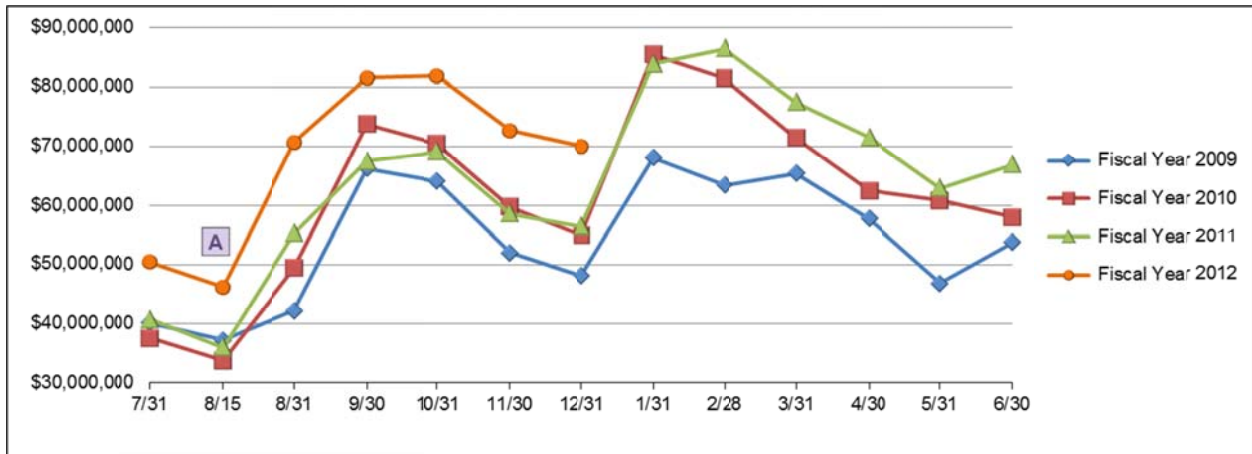


Figure 2



The cash flow trend has been relatively consistent over the last four years. The low point during the year has traditionally been the end of July through mid-August and is a good point for benchmarking purposes. This is noted with the letter "A" in the graph.

As we intentionally build our CLIFF reserve to manage the unpredictability of state funding over the next several years, the high cash points (September and January) are higher than historical trends. In addition, the trend has been affected over the last few years by various factors, the most significant of which is the timing of payments from the State for Fee-for-Service and State Fiscal Stabilization Fund.

Table 1

Ending Cash Balance				
Month	Fiscal Year			
	2009	2010	2011	2012
Jul	40,071,414	37,556,721	40,705,795	50,412,874
Aug-15	37,213,594	33,686,413	35,979,777	46,162,394
Aug	42,167,196	49,416,281	55,299,254	70,718,449
Sep	66,311,899	73,785,425	67,525,865	81,493,849
Oct	64,111,305	70,479,779	69,092,272	81,860,719
Nov	52,056,981	59,763,724	58,623,010	72,700,349
Dec	48,080,598	54,920,152	56,434,663	69,990,842
Jan	68,138,855	85,483,248	83,877,579	
Feb	63,481,532	81,409,777	86,454,766	
Mar	65,453,966	71,434,865	77,466,620	
Apr	57,779,078	62,491,426	71,497,091	
May	46,839,152	60,836,341	62,962,073	
Jun	53,767,705	58,020,717	66,977,550	

## CASH RESERVES

Strong reserves provide the University a temporary cushion in economic downturns. The table below shows the composition of reserves at the 2<sup>nd</sup> quarter ending December 31, 2011.

Table 2

Cash Reserve Summary Q2	
<b>Mandatory</b>	
Bonded R&R	\$ 750,000
<b>Capital</b>	
Auxiliary Building	\$ 6,013,528
State Building	\$ 930,944
Smart Classroom	\$ 425,911
Rebate & Student Fees	\$ 779,381
Arlington Park Debt Service	\$ 276,072
<b>Operating</b>	
Housing and Dining	\$ 520,000
<b>Special</b>	
Colorado Loss in Funding Fund (CLIFF)	\$ 19,688,179
Central Reserves-Risk, Fringe Benefits	\$ 721,367
<b>Total Reserves</b>	<b>\$ 30,105,382</b>

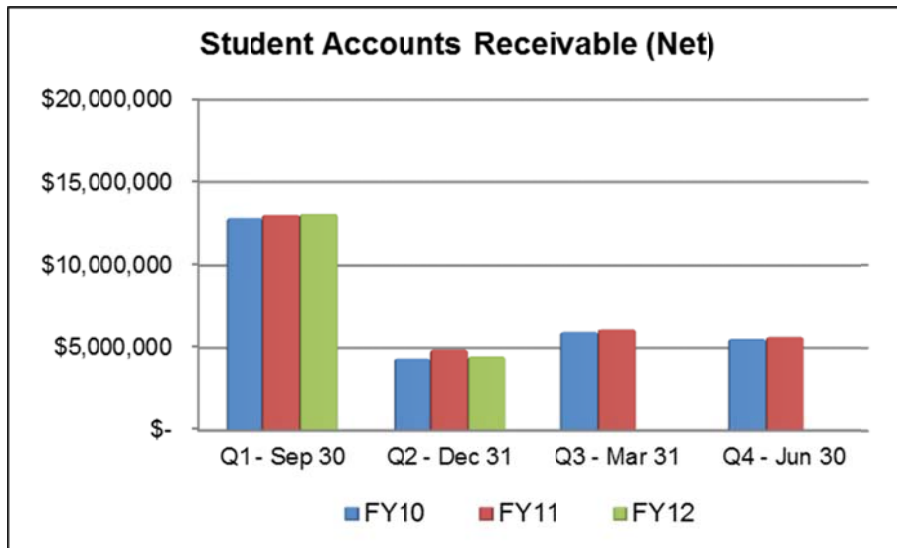
## ACCOUNTS RECEIVABLE

Student Accounts Receivable (AR) is the second largest current asset, after cash, at the University. The 2<sup>nd</sup> quarter balance in student accounts receivable is \$409,625 less than the previous year.

Table 3

Student Accounts Receivable (Net)					
	FY10		FY11		FY12
Q1 - Sep 30	\$	12,843,834	\$	13,034,598	\$ 13,086,450
Q2 - Dec 31	\$	4,365,359	\$	4,902,810	\$ 4,493,185
Q3 - Mar 31	\$	5,958,969	\$	6,111,099	\$ -
Q4 - Jun 30	\$	5,544,502	\$	5,657,657	\$ -

Figure 3



Net Student Accounts Receivable includes the accounting estimate for uncollectible accounts, or “bad debt.” Table 4 shows the amount we believe will be collected, categorized by age.

Table 4

Accounts Receivable Aging at 12/31/2011				
Days	Gross AR	Allowance	FY12 Net AR	FY11 Net AR
0 to 150*	\$ 3,182,165	\$ 47,843	\$ 3,134,322	\$ 3,371,554
151 to 360	905,789	149,455	756,334	744,365
361 to 540	1,077,929	538,965	538,964	626,360
541 to 810	908,079	844,514	63,565	64,928
810 & Over	3,019,318	3,019,318	-	95,603
<b>Total</b>	<b>\$ 9,093,280</b>	<b>\$ 4,600,095</b>	<b>\$ 4,493,185</b>	<b>\$ 4,902,810</b>

*\* This aging bucket includes "guaranteed" payments from 3<sup>rd</sup> parties.*

## BUDGET TO FORECAST

For the Quarter Ended December 31, 2011 <sup>1)</sup>

	Notes	Annual Adjusted Budget	Annual Forecast	Variance	Actual at 12/31/2011	% Actual/ Budget
<b>Revenues</b>						
Resident Tuition	2)	\$ 57,636,126	\$ 57,112,111	\$ (524,015)	\$ 27,480,421	47.7%
Non-Resident Tuition	2)	15,901,065	14,596,174	(1,304,891)	6,878,543	43.3%
Other Tuition WUI	2)	2,886,605	4,294,394	1,407,789	2,294,043	79.5%
Extended Studies Tuition	3)	13,992,960	13,056,761	(936,199)	4,095,091	29.3%
COF Stipend		14,935,800	14,935,800	-	7,251,319	48.5%
Fee-for-Service		17,870,806	17,870,806	-	8,935,404	50.0%
Long Bill Appropriated Fees		5,256,279	5,363,000	106,721	2,450,979	46.6%
NonAppropriated Student/Other Fees		9,988,914	10,400,000	411,086	4,940,177	49.5%
Restricted Gifts for Operations	4)	2,600,000	3,100,000	500,000	1,405,679	54.1%
Room and Board		31,163,552	30,798,552	(365,000)	16,056,264	51.5%
Other Auxiliary Services		8,629,362	8,799,362	170,000	5,171,614	59.9%
Restricted Grant Facilities/Admin Recovery	4)	881,000	866,900	(14,100)	429,948	48.8%
Other Revenue	4)	9,166,412	9,479,412	313,000	5,879,034	64.1%
Net NonOperating Revenues	5)	844,766	3,396,329	2,551,563	2,724,590	322.5%
<b>Total Revenues</b>		<b>\$ 191,753,646</b>	<b>\$ 194,069,601</b>	<b>\$ 2,315,955</b>	<b>\$ 95,993,104</b>	<b>50.1%</b>
<b>Expenditures &amp; Transfers</b>						
<b>Personnel Expenditures</b>						
Faculty Salaries		\$ 37,082,148	\$ 35,579,000	\$ 1,503,148	\$ 17,816,365	48.0%
Exempt Salaries		21,662,382	19,680,797	1,981,585	9,632,728	44.5%
GA and TA Salaries and Scholarships		8,518,597	8,518,597	0	4,152,457	48.7%
Classified Salaries		19,845,363	18,850,898	994,465	9,392,514	47.3%
Others Wages		5,226,779	5,657,471	(430,692)	2,855,498	54.6%
Fringe Benefits		22,848,594	21,763,000	1,085,594	9,999,059	43.8%
<b>Subtotal Personnel Expenditures</b>	6)	<b>\$ 115,183,863</b>	<b>\$ 110,049,763</b>	<b>\$ 5,134,100</b>	<b>\$ 53,848,621</b>	<b>46.8%</b>
<b>Non-Personnel Expenditures</b>						
Cost of Sales	7)	\$ 5,216,849	\$ 4,973,500	\$ 243,349	\$ 2,404,209	46.1%
Other Current Expenses	7)	10,680,355	6,406,000	4,274,355	2,927,224	27.4%
Purchased Services	7)	10,544,202	11,819,000	(1,274,798)	6,333,370	60.1%
Supplies	7)	7,901,588	6,241,000	1,660,588	2,668,549	33.8%
Scholarships	8)	14,180,587	14,331,000	(150,413)	7,100,631	50.1%
Utilities	9)	6,727,761	6,116,000	611,761	3,085,147	45.9%
Travel		2,836,583	2,822,000	14,583	1,495,864	52.7%
Capital	10)	1,607,781	2,175,000	(567,219)	1,676,358	104.3%
<b>Subtotal Non-Personnel Expenditures</b>		<b>\$ 59,695,706</b>	<b>\$ 54,883,500</b>	<b>\$ 4,812,206</b>	<b>\$ 27,691,351</b>	<b>46.4%</b>
<b>Transfers</b>						
Mandatory Transfer Out-Debt Service		\$ 9,231,380	\$ 9,231,380	\$ -	\$ 4,336,901	47.0%
Transfers to Cap. Leases, Loans, Other		728,061	728,061	-	307,267	42.2%
NonMandatory Transfer Out-Other		(2,773)	(2,773)	-	(2,773)	100.0%
Transfers to Multi-year		3,998,512	3,998,512	-	3,270,590	81.8%
Transfers to Cap. Reserves/Projects		4,729,171	4,783,171	(54,000)	4,347,120	91.9%
Transfers to Reserves		900,000	900,000	-	-	0.0%
<b>Subtotal Transfers</b>		<b>\$ 19,584,351</b>	<b>\$ 19,638,351</b>	<b>\$ (54,000)</b>	<b>\$ 12,259,105</b>	<b>62.6%</b>
<b>Total Expenditures and Transfers</b>		<b>\$ 194,463,920</b>	<b>\$ 184,571,614</b>	<b>\$ 9,892,306</b>	<b>\$ 93,799,077</b>	<b>48.2%</b>
<b>Revenues Less Expenditures and Transfers</b>		<b>\$ (2,710,274)</b>	<b>\$ 9,497,987</b>	<b>\$ 12,208,261</b>	<b>\$ 2,194,027</b>	

See Explanation of Notes on page 6.

**Notes to 2<sup>nd</sup> Quarter Budget to Forecast Report (page 5)**

1	The budget to forecast report includes operating and restricted gift revenue from the UNC Foundation. This report does not include sales, restricted grants and contracts or restricted financial aid revenue.
2	The main campus tuition revenue forecast will be revised for the 3 <sup>rd</sup> quarter after analysis of data as of Spring Census (January 23, 2012). The current forecast is the same as presented for the 1 <sup>st</sup> quarter: Undergraduate main campus tuition revenue is expected to be within 1.0% of budget; Graduate main campus tuition revenue is forecasted within 1.1% of budget. See Table 5 on the following page for details.
3	The extended campus tuition revenue forecast will be revised for the 3 <sup>rd</sup> quarter after analysis of data as of Spring Census (January 23, 2012). The current forecast is the same as presented for the 1 <sup>st</sup> quarter: The revenue forecast is below budget by \$936,199. Fewer programs than originally budgeted will be offered, but enrollment is still expected to be up from FY11 by 6.0%. Faculty and other expense will be less than budgeted.
4	The revised revenue forecasts for Restricted Gifts for Operations, Other Auxiliary Services and Restricted Grant Facilities/Admin Recovery are based on an analysis of prior year revenues and year-to-date receipts.
5	Net Non-Operating Revenues includes \$2.1 million quasi-endowment transfer to UNC that was used for a buy-down of 2001 auxiliary bonds as part of the July 1 issuance of 2011A bonds.
6	Personnel Expenditures are expected to be \$5.1 million favorable to budget. Many positions that were frozen beginning in February 2011 have remained vacant for a portion or all of the current year, resulting in “vacancy savings” in our personnel budget.
7	Cost of Sales, Other Current Expenditures, Purchased Services and Supplies are expected to be \$4.9 million favorable to budget. The campus community is working to identify the remaining \$3.1 million in sustainable cost savings and continues to limit expenses similarly to last fiscal year. Therefore, the forecast reflects spending in these areas similar to FY11 levels, with adjustments for Arlington Park.
8	Institutional Scholarships is estimated to be \$150,000 greater than budget. The variance is the combination of savings of \$200,000 in the National Undergraduate Scholarship (NUS) Program offset by an estimated shortfall of \$350,000 in Athletics fundraising.
9	The Utilities forecast is based on usage trends and rate change estimates at this time. It is likely to change because weather conditions can vary significantly from one year to another.
10	The Capital forecast reflects an anticipated increase in Library materials cost and an increase in small equipment purchases on campus.

**MAIN CAMPUS RESIDENT AND NON-RESIDENT TUITION DETAIL**

*Table 5*

Budget					Forecast					Variance at 12/31/11
<b>Undergrad Main Campus</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>WUE</b>	<b>Total</b>	<b>Undergrad Main Campus</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>WUE</b>	<b>Total</b>	<b>Total</b>
Fall 11	\$ 23,390,233	\$ 5,367,590	\$ 1,394,909	\$ 30,152,732	Fall 11	\$ 23,519,731	\$ 4,664,444	\$ 2,036,603	\$ 30,220,778	\$ 68,046
Interim 11-12	334,715	62,051	16,188	412,954	Interim 11-12	333,250	61,898	16,188	411,336	(1,618)
Spring 12	22,049,255	5,148,424	1,338,718	28,536,397	Spring 12	21,665,136	4,474,081	2,036,603	28,175,820	(360,577)
Summer 12	2,888,719	525,408	136,790	3,550,917	Summer 12	2,875,139	495,424	205,000	3,575,563	24,646
<b>Total FY12</b>	<b>\$ 48,662,922</b>	<b>\$ 11,103,473</b>	<b>\$ 2,886,605</b>	<b>\$ 62,653,000</b>	<b>Total FY12</b>	<b>\$ 48,393,256</b>	<b>\$ 9,695,847</b>	<b>\$ 4,294,394</b>	<b>\$ 62,383,497</b>	<b>\$ (269,503)</b>
<b>Graduate Main Campus</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>WUE</b>	<b>Total</b>	<b>Graduate Main Campus</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>WUE</b>	<b>Total</b>	<b>Total</b>
Fall 11	\$ 3,778,773	\$ 2,085,302	\$ -	\$ 5,864,075	Fall 11	\$ 3,524,424	\$ 2,188,037	\$ -	\$ 5,712,461	\$ (151,614)
Interim 11-12	11,881	5,459	-	17,340	Interim 11-12	11,881	5,459	-	17,340	-
Spring 12	3,555,076	2,052,535	-	5,607,611	Spring 12	3,555,076	2,052,535	-	5,607,611	-
Summer 12	1,627,474	654,296	-	2,281,770	Summer 12	1,627,474	654,296	-	2,281,770	-
<b>Total FY12</b>	<b>\$ 8,973,204</b>	<b>\$ 4,797,592</b>	<b>\$ -</b>	<b>\$ 13,770,796</b>	<b>Total FY12</b>	<b>\$ 8,718,855</b>	<b>\$ 4,900,327</b>	<b>\$ -</b>	<b>\$ 13,619,182</b>	<b>\$ (151,614)</b>
<b>Total Main Campus</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>WUE</b>	<b>Total</b>	<b>Total Main Campus</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>WUE</b>	<b>Total</b>	<b>Total</b>
Fall 11	\$ 27,169,006	\$ 7,452,892	\$ 1,394,909	\$ 36,016,807	Fall 11	\$ 27,044,155	\$ 6,852,481	\$ 2,036,603	\$ 35,933,239	\$ (83,568)
Interim 11-12	346,596	67,510	16,188	430,294	Interim 11-12	345,131	67,357	16,188	428,676	(1,618)
Spring 12	25,604,331	7,200,959	1,338,718	34,144,008	Spring 12	25,220,212	6,526,616	2,036,603	33,783,431	(360,577)
Summer 12	4,516,193	1,179,704	136,790	5,832,687	Summer 12	4,502,613	1,149,720	205,000	5,857,333	24,646
<b>Total FY12</b>	<b>\$ 57,636,126</b>	<b>\$ 15,901,065</b>	<b>\$ 2,886,605</b>	<b>\$ 76,423,796</b>	<b>Total FY12</b>	<b>\$ 57,112,111</b>	<b>\$ 14,596,174</b>	<b>\$ 4,294,394</b>	<b>\$ 76,002,679</b>	<b>\$ (421,117)</b>
<b>Total Forecast for Fiscal Year 2011-12</b>										<b>\$ (421,117)</b>

## MULTI-YEAR BUDGET

For the Quarter Ended December 31, 2011

**Sources**

Unexpended Balances from FY11 (revised for net prepaid adjustment)	\$ 9,735,944
FY12 Transfers from Operating (current revenues) completed in Q2	3,998,512
FY12 Net Transfers from Operating to be completed in Q3	47,475
FY12 Net Transfers from/to Capital Reserves and Projects	45,334
<b>Total Multi-year Budgets</b>	<b><u>\$ 13,827,265</u></b>

<b>Multi-year Commitments</b>	<b>Budget</b>	<b>Actual at 12/31/2011</b>	<b>Available Balance</b>
Grant Match Funds	\$ 1,040,296	\$ 251,597	\$ 788,699
Faculty Research and Professional Development	968,425	111,198	857,228
Faculty Start-up Packages	575,428	68,795	506,634
Instructional Technology	1,289,794	191,840	1,097,954
Academic Priorities and Accreditation	5,874,143	9,158	5,864,984
Facility Repair and Campus Safety Projects	337,386	55,377	282,009
University Strategic Priorities	174,165	50,267	123,898
Research Incentive (IDC)	1,599,084	386,632	1,212,453
Education Innovation Institute	441,364	145,337	296,027
Online Course Development Innovation	746,985	151,787	595,197
College Incentive and Innovation Funds	780,195	33,333	746,862
<b>Total Multi-year Budgets</b>	<b><u>\$ 13,827,265</u></b>	<b><u>\$ 1,455,320</u></b>	<b><u>\$ 12,371,945</u></b>

## CAPITAL PROJECTS

For the Quarter Ended December 31, 2011

	<u>Budget</u>	<u>Actual at 12/31/2011</u>	<u>Available Balance</u>	<u>Projected Expenditures through 6/30/2012</u>
<b>General Fund</b>				
Projects with budgets less than \$200,000	\$ 1,241,456	\$ 363,149	\$ 878,307	\$ 450,173
College of NHS Equipment	368,473	243,428	125,045	20,000
<u>Michener Fire Alarm System</u>	338,661	305,038	33,623	21,200
Butler-Hancock Interior Renovation	493,830	25,367	468,463	468,000
McKee Hall Roof Replace	326,725	216,702	110,022	16,400
<b>Total General Funded Projects</b>	<b>\$ 2,769,144</b>	<b>\$ 1,153,684</b>	<b>\$ 1,615,460</b>	<b>\$ 975,773</b>
<b>Housing, Dining, Extended Studies, Student Fees</b>				
Michener water damage insurance proceeds	\$ 74,784	\$ -	\$ 74,784	\$ -
Projects with budgets less than \$200,000	1,735,786	476,407	1,259,379	458,590
Harrison Hall Student Rm Remodel	772,486	632,105	140,381	29,000
Harrison St Rm Bath Reno Proto	1,293,945	35,684	1,258,260	300,000
UC Convenience Store	340,718	287,753	52,964	5,000
Central Campus FF&E	289,945	288,026	1,919	-
Butler-Hancock Gym Wall Panel Replace	464,192	21,259	442,933	450,000
<b>Total Auxiliary and Other Funded Projects</b>	<b>\$ 4,971,854</b>	<b>\$ 1,741,236</b>	<b>\$ 3,230,619</b>	<b>\$ 1,242,590</b>
<b>Restricted Capital Grants/Gifts</b>				
Projects with budgets less than \$200,000	\$ 113,480	\$ 18,374	\$ 95,106	\$ 33,200
<b>Total Restricted Grant/Gift Funded Projects</b>	<b>\$ 113,480</b>	<b>\$ 18,374</b>	<b>\$ 95,106</b>	<b>\$ 33,200</b>
<b>Total University Funded Projects</b>	<b>\$ 7,854,478</b>	<b>\$ 2,913,293</b>	<b>\$ 4,941,185</b>	<b>\$ 2,251,563</b>
<b>State Capital Appropriations</b>				
Reroof Candelaria, Butler-Hancock, McKee	\$ 7,697	\$ 5,630	\$ 2,067	\$ 2,066
<b>Total State Capital Appropriated Projects</b>	<b>\$ 7,697</b>	<b>\$ 5,630</b>	<b>\$ 2,067</b>	<b>\$ 2,066</b>
<b>Total Capital Projects</b>	<b>\$ 7,862,175</b>	<b>\$ 2,918,923</b>	<b>\$ 4,943,252</b>	<b>\$ 2,253,629</b>

UNC has a deferred maintenance backlog of \$138 million for the State supported and auxiliary facilities. State appropriations were \$48 million from 1999–2003, but only \$18 million from 2004–2010. No additional monies are anticipated from the State for this purpose in the foreseeable future (1-3 years).

## RESTRICTED GRANTS AND CONTRACTS

For the Quarter Ended December 31, 2011

	Budget	Actual at 12/31/2011
<b>Restricted Grants and Contracts</b>		
Federal Grants	\$ 6,730,510	\$ 4,090,285
State and Local Grants	77,746	21,154
Other Private Grants	145,509	51,804
UNC Foundation Grants	1,656,115	320,268
<b>Total Restricted Grants and Contracts</b>	<b>\$ 8,609,880</b>	<b>\$ 4,483,511</b>
 <b>Restricted Financial Aid</b>		
Federal Financial Aid	\$ 13,549,270	\$ 7,088,555
State and Local Financial Aid	3,504,254	3,832,512
Other Private Financial Aid	6,550,000	430,667
Restricted Student Loan Funds	-	112,336
Restricted Endowment Funds	-	6,268
<b>Total Restricted Financial Aid</b>	<b>\$ 23,603,524</b>	<b>\$ 11,470,338</b>
 <b>Total Restricted Grants, Loans, Endowments</b>	<b>\$ 32,213,404</b>	<b>\$ 15,953,849</b>