

# UNIVERSITY OF NORTHERN COLORADO: FINANCIAL REPORT

## 03/31/2018

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### OVERVIEW

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Financial highlights of the fiscal year 2017-18 3<sup>rd</sup> quarter financial report are summarized below:

#### **Cash (pages 2-3)**

- The University's cash position is \$63.5 million with \$24.8 million in centralized reserves.
- Cash at June 30, 2018 (fiscal year-end) is forecasted to be \$38.3 million. UNC's low point in cash is August 15<sup>th</sup> and is forecasted to be about \$25 million.

#### **Reserves (page 4)**

- Reserves are currently \$24.8 million, with \$12.9 million in the University Reserve after funding FY18 strategic investments and FY18 capital projects.

#### **Accounts Receivable (page 5)**

- The 3<sup>rd</sup> quarter net accounts receivable is \$7.8 million, which is \$0.5 million lower than last year at this time. The timing of receivables can vary noticeably from year to year; therefore, the most consistent benchmark is the fiscal year-end. Trend information is shown in Tables 4 and 5.

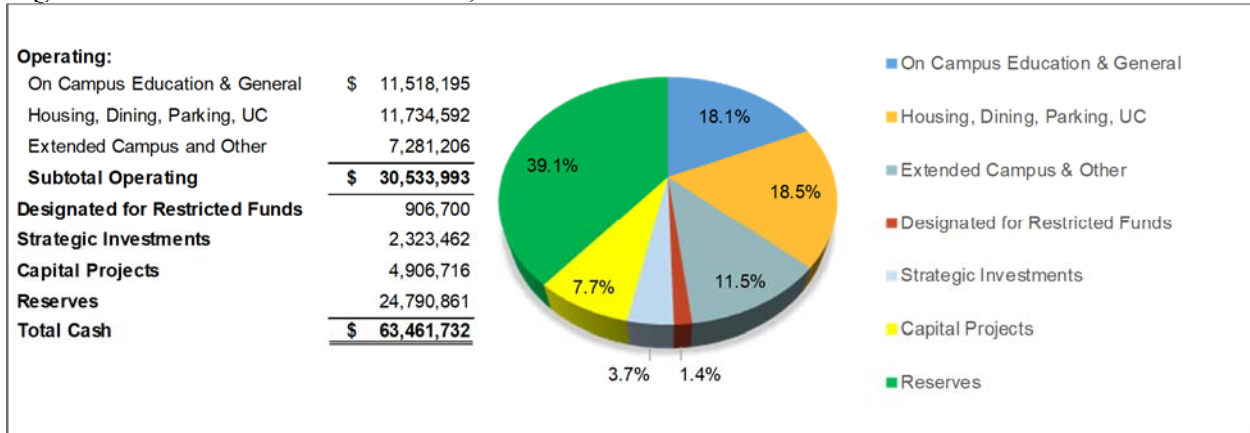
#### **Operating Budget (page 6)**

- The fiscal year 2017-18 operating budget at 3<sup>rd</sup> quarter forecast shows operating results of \$4.1 million before internal transfers of UNC Foundation capital gifts and transfers of student fees and other operating funds to capital reserves to finance future capital projects. Operating results less transfers is a deficit of \$6.3 million. Details of revenues, expenditures and transfers are as follows:
  - Net revenue - \$199.5 million
    - Gross tuition, fees and room & board - \$170.6 million
    - Discounting - \$41.5 million
    - State appropriations - \$39.6 million
    - Foundation support - \$12.9 million
    - All other revenue - \$17.9 parking, athletics, theater, etc.
  - Personnel expenditures - \$138.7 million
  - Non-personnel expenditures - \$44.9 million
  - Debt payments for bonds and capital leases - \$11.8 million
  - Transfer of restricted Foundation to Capital Budget - \$3.8 million
  - Transfer of student fee and other operating funds to Capital Budget - \$6.6 million

## CASH

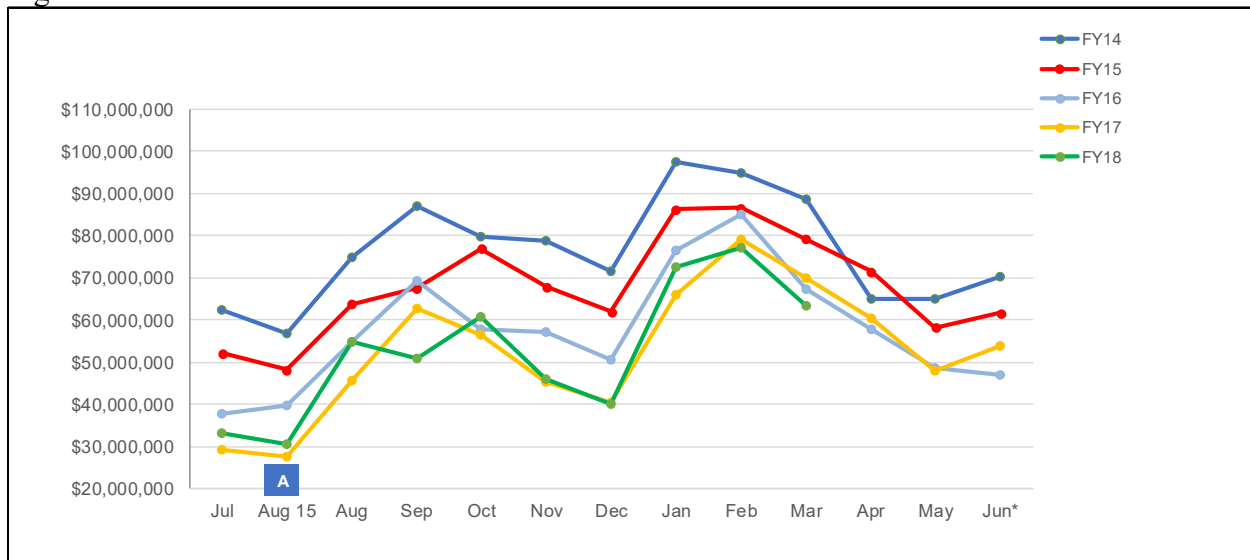
Total cash, as of March 30, 2018, is \$63.5 million. Campus Commons bond proceeds of \$27.4 million are not included in the cash balances in Figure 1.

Figure 1. Cash Balance at March 31, 2018



The cash flow trend has been relatively consistent over the last four years, as shown in Figure 2. The low point during the year has traditionally occurred in mid-August and is a good point for benchmarking purposes. This is noted with the letter “A” in the graph. The June 30, 2018 cash balances will be reduced by about \$6.6 million due to a change in the pay date for June payroll. Since 2003, the June payroll has been paid on July 1 (due to a statewide budget balancing decision). In 2018 the pay date for Colorado higher education institutions will shift back to June 30, thus affecting our fiscal year-end cash balance.

Figure 2. Annual Cash Flow Trend



The University's third quarter cash position is \$6.4 million less than the previous year at this time, as shown in Table 1.

Table 1. Overall Cash Balance

Month	FY14	FY15	FY16	FY17	FY18
Jul	62,564,780	52,203,773	37,814,641	29,249,252	33,276,779
Aug 15	56,778,921	48,277,445	39,776,437	27,569,804	30,695,963
Aug	75,042,476	63,727,315	54,843,178	45,569,608	55,010,566
Sep	87,172,851	67,633,545	69,407,889	62,576,984	50,974,277
Oct	79,928,173	77,000,173	57,813,291	56,504,939	60,844,876
Nov	78,689,806	67,829,386	57,080,941	45,297,668	46,089,205
Dec	71,509,152	61,966,401	50,684,129	40,268,950	39,944,050
Jan	97,526,719	86,298,922	76,476,844	66,080,438	72,704,334
Feb	94,867,317	86,539,392	85,070,248	79,274,077	77,058,925
Mar	88,777,015	79,278,071	67,433,066	69,900,428	63,461,732
Apr	65,053,621	71,527,719	57,968,958	60,462,128	
May	65,053,621	58,214,450	48,614,786	47,864,971	
Jun*	70,241,267	61,721,397	46,873,470	53,966,795	

\*The June balance in 2014 was updated for the GASB 31 FMV

The University also has Campus Commons bond proceeds of \$27,365,315. It is not included in the cash table for comparative purposes.

The cash forecast below is intended to give a quick summary of the effect of FY18 operating results, strategic investments and capital expenditures on cash. The total column may be most helpful, as it reflects the forecasted decrease in cash for FY18 of \$15.6 million. This includes an operating deficit of \$9.0 million and the \$6.6 million effect of the June payroll pay date shift from July 1 to June 30.

Table 2. Cash Forecast – Preliminary comparison of 6/30 actual to 6/30 forecast

	Operating	Restricted	Strategic Investments	Capital Projects	Reserves	Total
<b>Cash at 06/30/2017 (a)</b>	\$ 19.5	\$ 0.5	\$ 1.9	\$ 4.7	\$ 27.3	\$ 53.9
<b>FY18 Transfers</b>						
Strategic Investments	-	-	3.8	-	(3.8)	-
Capital Projects/Small Equipment	(4.8)	-	-	4.3	0.5	0.0
Perkins UNC Portion	0.1	(0.1)	-	-	-	-
Fiscal Year End Transfers	(1.8)	-	-	-	1.8	-
Foundation Capital Gifts	(3.8)	-	-	3.8	-	-
<b>Subtotal Transfers</b>	<b>(10.3)</b>	<b>(0.1)</b>	<b>3.8</b>	<b>8.1</b>	<b>(1.5)</b>	<b>0.0</b>
<b>FY18 Net Cash Inflows (Outflows)</b>						
Operating Results FY18	4.1	(0.2)	-	-	-	3.9
Payroll Date Shift from July 1 to June 30 <sup>(b)</sup>	(6.6)					(6.6)
Sale of Assets	-	-	-	-	0.3	0.3
Strategic Investments	-	-	(4.5)	-	-	(4.5)
Capital Cash State & Debt	-	-	-	33.9	-	33.9
Capital Projects/Small Equipment	-	-	-	(42.6)	-	(42.6)
<b>Subtotal Inflows (Outflows)</b>	<b>(2.5)</b>	<b>(0.2)</b>	<b>(4.5)</b>	<b>(8.7)</b>	<b>0.3</b>	<b>(15.6)</b>
<b>Cash at 06/30/2018 (a)</b>	<b>\$ 6.7</b>	<b>\$ 0.2</b>	<b>\$ 1.2</b>	<b>\$ 4.1</b>	<b>\$ 26.1</b>	<b>\$ 38.3</b>

(a) The 6/30/2018 year-end annual report will include \$15.7 million of unexpended Campus Commons bond proceeds in Restricted Cash and Cash Equivalents in addition to the amount on this schedule.

(b) Each month of the year the payroll is issued on the 30th. In 2003, the State of Colorado changed the final year-end payroll to be issued on July 1, thus increasing the cash on the Statement of Net Position at fiscal year end. In 2018, this will be changed back and the year-end payroll will be issued on June 30th. This is a one-time shift in cash between fiscal years.

## CASH RESERVES

Our cash reserves, which is cash that is segregated from our operating, strategic investment and capital balances, provide a cushion for operational contingencies and more significant risks.

Table 3. Cash Reserves Summary at March 31, 2018

	12/31/2017		FY18 Q3 Activity	03/31/2018
<b>Mandatory</b>				
Bonded R&R	\$ 750,000		\$ -	\$ 750,000
<b>Capital</b>				
Student Fees	4,860,409	a	98,911	4,959,320
Other Capital Reserves	1,427,514	b	2,116,546	3,544,060
<b>Other</b>				
Risk Management and Insurance	2,650,000		-	2,650,000
University Reserve	12,638,705	c	248,776	12,887,481
<b>Total Reserves</b>	<b>\$ 22,326,628</b>		<b>\$ 2,464,233</b>	<b>\$ 24,790,861</b>

a. Closed 3 projects for less than budgeted and opened one new LEAF project.

b. Closed 29 projects for less than budgeted and 2 projects for more than budgeted.

c. Added cash from Foundation Hall

## ACCOUNTS RECEIVABLE

Table 4 and Figure 3 show that the March 31, 2018, 3<sup>rd</sup> quarter balance in student accounts receivable is \$0.5 million less than the previous year. Net student accounts receivable includes the accounting estimate for uncollectible accounts or “bad debt.”

Table 4. Student Accounts Receivable (Net)

	FY16	FY17	FY18
Q1 - Sep 30	\$ 16,299,215	\$ 15,904,277	\$ 23,082,213
Q2 - Dec 31	\$ 4,598,349	\$ 4,791,141	\$ 4,989,072
Q3 - Mar 31	\$ 6,811,815	\$ 8,322,159	\$ 7,807,471
Q4 - Jun 30	\$ 6,212,773	\$ 6,853,821	\$ -

Figure 3. Student Accounts Receivable (Net)

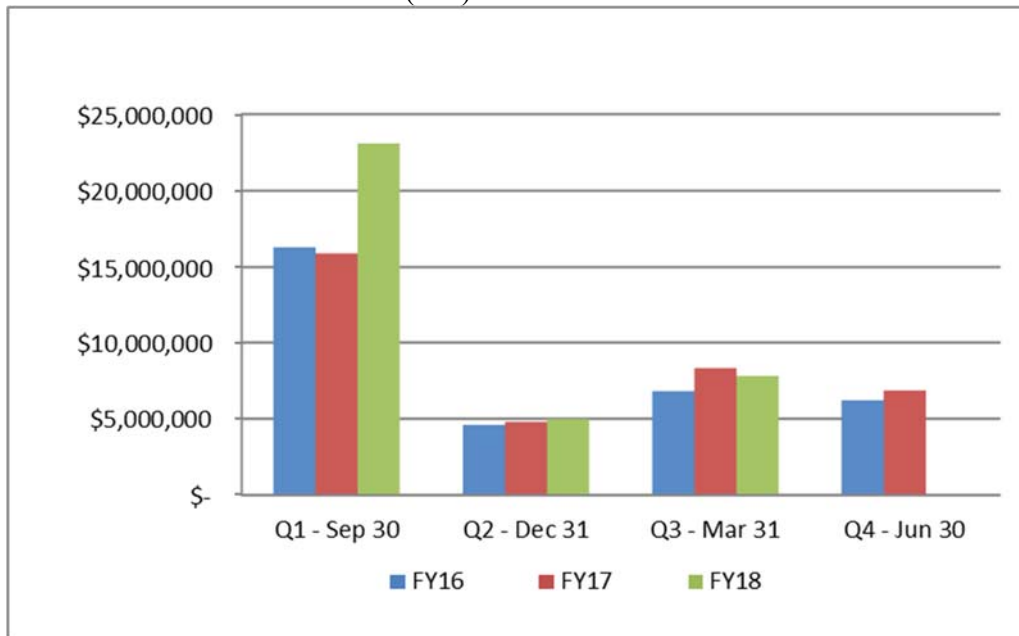


Table 5 represents accounts receivable as a percentage of tuition, fees and room and board revenue at fiscal year-end.

Table 5. Year-end Student Accounts Receivable as a Percent of Billings

	FY13	FY14	FY15	FY16	FY17
Total Student Accounts Receivable	\$ 7,212,570	\$ 6,435,476	\$ 6,120,899	\$ 6,212,773	\$ 6,853,281
Net Tuition, Fees, Room and Board	\$116,054,460	\$114,489,682	\$111,033,128	\$116,043,009	\$124,393,382
A/R as a % of Net Tuition, Fees & Room and Board	6.2%	5.6%	5.5%	5.4%	5.5%

# OPERATING BUDGET

For the Quarter Ended March 31, 2018<sup>1</sup>

	Notes	Original Budget	Annual Forecast	% of Total	Variance fav (unfav)	Actual at 03/31/2018	% Actual to Budget
<b>REVENUES</b>							
Tuition-Undergraduate Main Campus	2	\$ 79,507,990	\$ 77,401,777	38.8%	\$(2,106,213)	\$ 72,337,800	91.0%
Tuition-Graduate Main Campus	3	18,051,905	16,041,603	8.0%	(2,010,302)	13,730,952	76.1%
Tuition-Undergraduate Extended Campus	2	4,388,691	4,934,143	2.5%	545,452	3,287,864	74.9%
Tuition-Graduate Extended Campus	3	16,425,485	16,175,164	8.1%	(250,321)	11,700,675	71.2%
Student Fees	2/3	15,841,871	15,100,602	7.6%	(741,269)	13,854,590	87.5%
Academic Fees - General Funds	2/3	6,441,309	6,036,493	3.0%	(404,816)	5,687,931	88.3%
Academic Fees - Extended Studies	2/3	111,658	133,446	0.1%	21,788	97,891	87.7%
Room and Board	4	34,621,092	34,835,656	17.4%	214,564	33,736,219	97.4%
<b>Subtotal Tuition, Fees and Room &amp; Board</b>		<b>175,390,001</b>	<b>170,658,884</b>	<b>85.5%</b>	<b>(4,731,117)</b>	<b>154,433,922</b>	<b>88.1%</b>
Scholarships (Institutional Discounting)	5	(28,505,444)	(30,786,587)	-15.4%	(2,281,143)	(30,157,188)	105.8%
Foundation Funded Scholarships	5	(4,225,000)	(4,354,277)	-2.2%	(129,277)	(4,097,764)	97.0%
Graduate GA/TA Waivers	5	(5,026,539)	(5,237,500)	-2.6%	(210,961)	(5,197,672)	103.4%
R & B Waivers	5	(1,200,000)	(1,129,200)	-0.6%	70,800	(1,092,110)	91.0%
<b>Subtotal Discounting</b>		<b>(38,956,983)</b>	<b>(41,507,564)</b>	<b>-20.8%</b>	<b>(2,550,581)</b>	<b>(40,544,734)</b>	<b>104.1%</b>
COF Resident	6	15,477,118	15,444,723	7.8%	(32,395)	14,768,029	95.4%
Fee For Service	6	24,120,290	24,152,685	12.1%	32,395	18,090,218	75.0%
<b>Subtotal State Support</b>		<b>39,597,408</b>	<b>39,597,408</b>	<b>19.9%</b>	<b>-</b>	<b>32,858,247</b>	<b>83.0%</b>
Foundation Restricted Gifts for Operations	7	2,839,817	3,195,409	1.6%	355,592	2,432,825	85.7%
Foundation Restricted Capital Gifts	8	1,955,000	3,806,156	1.9%	1,851,156	3,806,156	194.7%
Foundation Restricted Scholarships	7	4,225,000	4,354,277	2.2%	129,277	4,097,764	97.0%
Foundation Unrestricted (design. for scholarships)	7	1,550,000	1,550,000	0.8%	-	1,162,501	75.0%
<b>Subtotal Foundation Support</b>		<b>10,569,817</b>	<b>12,905,842</b>	<b>6.5%</b>	<b>2,336,025</b>	<b>11,499,246</b>	<b>108.8%</b>
Other Auxiliary Services	9	6,580,468	6,422,714	3.2%	(157,754)	4,811,817	73.1%
Restricted Grant Facilities/Admin Recovery	9	520,000	624,244	0.3%	104,244	469,286	90.2%
Other Revenue	9	8,672,753	8,885,092	4.5%	212,339	6,750,865	77.8%
Net Non-Operating Revenues	9	1,446,250	1,974,696	1.0%	528,446	1,355,769	93.7%
<b>Subtotal Other Revenue</b>		<b>17,219,471</b>	<b>17,906,746</b>	<b>9.0%</b>	<b>687,275</b>	<b>13,387,737</b>	<b>77.7%</b>
<b>NET REVENUES</b>		<b>\$203,819,714</b>	<b>\$ 199,561,316</b>	<b>100.0%</b>	<b>\$(4,258,398)</b>	<b>\$ 171,634,418</b>	<b>84.2%</b>
<b>EXPENDITURES AND DEBT PAYMENTS</b>							
Faculty Salaries	10	\$ 45,779,792	\$ 46,600,000	23.8%	\$ (820,208)	\$ 36,024,632	78.7%
Exempt Salaries	10	30,419,120	30,500,000	15.6%	(80,880)	22,840,839	75.1%
Classified Salaries	10	19,332,589	19,100,000	9.8%	232,589	14,182,350	73.4%
Graduate Stipends	10	5,201,241	5,865,000	3.0%	(663,759)	4,653,107	89.5%
Student and Other Wages	10	6,112,630	6,148,700	3.1%	(36,070)	4,357,987	71.3%
Fringe Benefits	10	30,734,000	30,500,000	15.7%	234,000	22,774,362	74.1%
<b>Subtotal Personnel Expenses</b>		<b>137,579,372</b>	<b>138,713,700</b>	<b>71.0%</b>	<b>(1,134,328)</b>	<b>104,833,277</b>	<b>76.2%</b>
Cost of Sales	11	4,661,933	4,536,660	2.3%	125,273	3,983,702	85.5%
Other Current Expenses	11	12,198,696	11,987,314	6.2%	211,382	10,056,217	82.4%
Purchased Services	11	10,613,938	10,547,956	5.4%	65,982	7,570,415	71.3%
Supplies	11	6,327,710	6,262,946	3.2%	64,764	3,968,031	62.7%
Cost Allocation and Recoveries	11	(888,767)	(782,125)	-0.4%	(106,642)	(770,730)	86.7%
Utilities	11	5,783,641	5,331,924	2.7%	451,717	3,792,699	65.6%
Travel	11	4,460,905	4,508,267	2.3%	(47,362)	3,419,847	76.7%
Capital	11	2,476,516	2,507,058	1.3%	(30,542)	2,120,385	85.6%
<b>Subtotal Non-personnel Expenses</b>		<b>45,634,572</b>	<b>44,900,000</b>	<b>23.0%</b>	<b>734,572</b>	<b>34,140,566</b>	<b>74.8%</b>
Debt Service on Bonds	12	10,608,286	10,625,571	5.4%	(17,285)	8,003,797	75.4%
Capital Lease Payment	12	1,116,145	1,163,052	0.6%	(46,907)	983,635	88.1%
<b>Subtotal Debt Payments</b>		<b>11,724,431</b>	<b>11,788,623</b>	<b>6.0%</b>	<b>(64,192)</b>	<b>8,987,432</b>	<b>76.7%</b>
<b>TOTAL EXPENDITURES AND DEBT PAYMENTS</b>		<b>\$194,938,375</b>	<b>\$ 195,402,323</b>	<b>100.0%</b>	<b>\$ (463,948)</b>	<b>\$ 147,961,275</b>	<b>75.9%</b>
<b>OPERATING RESULTS</b>		<b>\$ 8,881,339</b>	<b>\$ 4,158,993</b>		<b>\$(4,722,346)</b>	<b>\$ 23,673,143</b>	
Transfer to Capital Budget - Foundation	8	1,955,000	3,806,156		(1,851,156)	3,806,156	
Transfers to Capital Budget	13	6,912,682	6,632,630		280,052	4,827,805	
<b>OPERATING RESULTS LESS TRANSFERS</b>		<b>\$ 13,657</b>	<b>\$ (6,279,793)</b>		<b>\$(6,293,450)</b>		

See Explanation of Notes on page 7.

<b>Recap of FY18 Forecasted Cash Outflow</b>	
Operating Results (above)	\$ 4,158,993
Strategic Investments (page 9)	(4,472,898)
Capital (page 10)	(8,732,752)
Other (page 3)	(6,666)
<b>Total (Table 2, page 3)</b>	<b>\$ (9,053,323)</b>

**Notes to Second Quarter Budget to Forecast Report (page 6)**

1	This report includes operating funds and restricted gift funds from the UNC Foundation. This report does not include strategic investments, internal sales, capital projects, restricted grants and contracts, or restricted financial aid.
2	Net undergraduate tuition and fees revenue are 36% of the net operating revenue and are forecasted to be \$4.9 million under budget for FY18.
3	Net graduate tuition and fees revenue are 14% of the net operating revenue and are forecasted to be \$2.6 million under budget for FY18.
4	Net room and board revenues represent 17% of the net operating revenue and are forecasted to be \$.2 million over budget for FY18.
5	Discounting includes scholarship expense, graduate tuition waivers and room and board waivers. Total discounting is forecasted to be \$2.6 million more than budget, primarily due to undergraduate discounting and increased GA/TA waivers.
6	State support is 20% of net operating revenue.
7	Support from the UNC Foundation consists of gifts that are restricted for program support, capital, or scholarships. UNC also has an agreement with the Foundation to receive \$1.6 million in unrestricted support, which funds institutional scholarships. Total Foundation support in the operating budget is \$12.9 million, or 7% of net operating revenue.
8	The forecast for FY18 includes \$3.8 million in gifts to be utilized for the construction of the Campus Commons. This is shown in the Operating Budget as Foundation Restricted Capital Gift revenue in the top section with a corresponding transfer out to the capital budget at the bottom of the report. In FY17, the University planned to utilize \$3.0 million in gifts for the construction of Campus Commons; however, state capital appropriated funds were utilized instead of capital gifts. UNC utilized \$3.8 million in capital gifts for FY18, rather than the \$1.9 million that is budgeted.
9	Other sources of revenue comprised 9% of net operating revenue and come from parking, retail sales, athletics events, vending machines, licensing, theatre, grant administrative revenue, late fees and treasury interest. Other revenue is forecasted to be \$0.7 million more than budget.
10	Personnel expenditures are 71% of total expenditures. Personnel expenditures are \$1.1 million over budget.
11	Non-personnel expenditures are 23% of total expenditures. The university is working to contain costs this year and we currently forecast being \$0.7 million under budget.
12	Debt service and capital leases are 6% of total expenditures.
13	Transfers to capital budget include \$0.1 million from the facilities management capital budget, \$4.3 million from student capital fee revenue and \$2.2 million of housing, dining and parking revenue.

# RESIDENT AND NON-RESIDENT TUITION DETAIL

	Budget					Forecast					Variance at 03/31/2018
Undergrad	Fall	Interim	Spring	Summer	Total	Fall	Interim	Spring	Summer	Total	Total
Resident	\$ 27,548,244	\$ 422,438	\$ 24,713,431	\$ 3,557,057	\$ 56,241,170	\$ 27,282,693	\$ 413,381	\$ 24,599,725	\$ 3,425,199	\$ 55,720,998	\$ (520,172)
Non-Resident	6,030,635	51,565	5,388,412	899,218	12,369,830	5,632,652	88,684	5,027,780	914,179	11,663,295	(706,535)
WUE	5,300,851	58,307	4,805,540	732,292	10,896,990	4,865,139	72,496	4,412,682	667,167	10,017,484	(879,506)
<b>Subtotal</b>	<b>38,879,730</b>	<b>532,310</b>	<b>34,907,383</b>	<b>5,188,567</b>	<b>79,507,990</b>	<b>37,780,484</b>	<b>574,561</b>	<b>34,040,187</b>	<b>5,006,545</b>	<b>77,401,777</b>	<b>(2,106,213)</b>
Extended Campus	1,750,110	65,268	1,303,390	1,269,923	4,388,691	1,824,173	132,213	1,417,385	1,560,372	4,934,143	545,452
<b>FY18 Total</b>	<b>\$ 40,629,840</b>	<b>\$ 597,578</b>	<b>\$ 36,210,773</b>	<b>\$ 6,458,490</b>	<b>\$ 83,896,681</b>	<b>\$ 39,604,657</b>	<b>\$ 706,774</b>	<b>\$ 35,457,572</b>	<b>\$ 6,566,917</b>	<b>\$ 82,335,920</b>	<b>\$ (1,560,761)</b>
Graduate	Fall	Interim	Spring	Summer	Total	Fall	Interim	Spring	Summer	Total	Total
Resident	\$ 5,183,200	\$ -	\$ 4,925,320	\$ 1,993,970	\$ 12,102,490	\$ 4,075,589	\$ -	\$ 3,832,981	\$ 1,731,678	\$ 9,640,248	\$ (2,462,242)
Non-Resident	3,006,278	-	2,378,376	564,761	5,949,415	2,989,379	-	2,834,516	577,460	6,401,355	451,940
<b>Subtotal</b>	<b>8,189,478</b>	<b>-</b>	<b>7,303,696</b>	<b>2,558,731</b>	<b>18,051,905</b>	<b>7,064,968</b>	<b>-</b>	<b>6,667,497</b>	<b>2,309,138</b>	<b>16,041,603</b>	<b>(2,010,302)</b>
Extended Campus	5,971,331	-	5,571,485	4,882,669	16,425,485	6,050,826	-	5,362,503	4,761,835	16,175,164	(250,321)
<b>FY18 Total</b>	<b>\$ 14,160,809</b>	<b>\$ -</b>	<b>\$ 12,875,181</b>	<b>\$ 7,441,400</b>	<b>\$ 34,477,390</b>	<b>\$ 13,115,794</b>	<b>\$ -</b>	<b>\$ 12,030,000</b>	<b>\$ 7,070,973</b>	<b>\$ 32,216,767</b>	<b>\$ (2,260,623)</b>
Total	Fall	Interim	Spring	Summer	Total	Fall	Interim	Spring	Summer	Total	Total
Resident	\$ 32,731,444	\$ 422,438	\$ 29,638,751	\$ 5,551,027	\$ 68,343,660	\$ 31,358,282	\$ 413,381	\$ 28,432,706	\$ 5,156,877	\$ 65,361,246	\$ (2,982,414)
Non-Resident	9,036,913	51,565	7,766,788	1,463,979	18,319,245	8,622,031	88,684	7,862,296	1,491,639	18,064,650	(254,595)
WUE	5,300,851	58,307	4,805,540	732,292	10,896,990	4,865,139	72,496	4,412,682	667,167	10,017,484	(879,506)
<b>Subtotal</b>	<b>47,069,208</b>	<b>532,310</b>	<b>42,211,079</b>	<b>7,747,298</b>	<b>97,559,895</b>	<b>44,845,452</b>	<b>574,561</b>	<b>40,707,684</b>	<b>7,315,683</b>	<b>93,443,380</b>	<b>(4,116,515)</b>
Extended Campus	7,721,441	65,268	6,874,875	6,152,592	20,814,176	7,874,999	132,213	6,779,888	6,322,207	21,109,307	295,131
<b>FY18 Total</b>	<b>\$ 54,790,649</b>	<b>\$ 597,578</b>	<b>\$ 49,085,954</b>	<b>\$ 13,899,890</b>	<b>\$ 118,374,071</b>	<b>\$ 52,720,451</b>	<b>\$ 706,774</b>	<b>\$ 47,487,572</b>	<b>\$ 13,637,890</b>	<b>\$ 114,552,687</b>	<b>\$ (3,821,384)</b>



# STRATEGIC INVESTMENTS BUDGET

For the Quarter Ended March 31, 2018

## Strategic Investment Cash

Unexpended balances committed to FY17	\$ 1,331,899
Cash Transferred from University Reserve	3,359,115
Cash from NCAA Endowment Distribution	544,330

**Total Cash in Strategic Investments at July 1, 2017** **\$ 5,235,344**

Accounts Payable from FY17 paid in FY18	(7,264)
Accounts Payable in FY18	1,500
Prepaid Expenses	(40,625)
YTD FY18 expenditures 3/31/2018	(2,865,493)

**Cash in Strategic Investments at March 31, 2018** **\$ 2,323,462**

	Total FY18 Budget	Actual Expenditures at 03/31/2018	Available Balance
<b>Multiyear Commitments</b>			
<b>Enrollment and Pricing</b>	<b>\$ 75,000</b>	<b>\$ 47,617</b>	<b>\$ 27,383</b>
<b>Equity and Diversity</b>	<b>52,525</b>	<b>46,949</b>	<b>5,576</b>
<b>Integrated Student Support Plans</b>			
Student Success Collaborative	210,000	165,527	44,473
Student Food Insecurity Project	40,000	41,629	(1,629)
<b>Subtotal Integrated Student Support Plans</b>	<b>\$ 250,000</b>	<b>\$ 207,156</b>	<b>\$ 42,844</b>
<b>Academic Portfolio</b>			
Accreditation	150,000	144,549	5,451
Program Review & Assessment	60,000	19,470	40,530
Various Academic Portfolio	70,000	-	70,000
<b>Subtotal Academic Portfolio</b>	<b>\$ 280,000</b>	<b>\$ 164,019</b>	<b>\$ 115,981</b>
<b>Research Scholarship and Creative Works</b>			
Grant Match Funds	400,000	237,517	162,483
Faculty Start-Up Packages	325,000	206,190	118,810
Faculty Awards & Development	395,000	231,758	163,242
Innovation Dev. & Enterprise Adv. (IDEA)	60,000	58,832	1,168
UNC Cancer Rehabilitation Institute	164,376	155,684	8,692
Other Institutes	100,624	-	100,624
RSCW Faculty Reassign Program	120,000	53,501	66,499
Education Innovation Institute	150,000	59,645	90,355
Unrestricted Research Incentive	650,000	339,259	310,741
<b>Subtotal Research Scholarship and Creative Works</b>	<b>\$ 2,365,000</b>	<b>\$ 1,342,386</b>	<b>\$ 1,022,614</b>
<b>Total Core Plan Investments</b>	<b>\$ 3,022,525</b>	<b>\$ 1,808,127</b>	<b>\$ 1,214,398</b>
<b>Support Plan Investments</b>			
Information Management Plan	900,000	698,015	201,985
<b>Total Support Plan Investments</b>	<b>\$ 900,000</b>	<b>\$ 698,015</b>	<b>\$ 201,985</b>
<b>Other Strategic Investments</b>			
I@UNC	175,000	9,447	165,553
Emergency Management	40,000	-	40,000
Circulation/Master Planning	95,975	-	95,975
Emerging University Priorities	120,000	7,176	112,824
Athletics NCAA Distribution	144,000	20,025	123,975
Campus Commons	1,500	3,155	(1,655)
Compensation Identity Initiative	-	3,450	(3,450)
Innovation - Online Course Development	410,000	316,098	93,902
<b>Total Other Strategic Investments</b>	<b>\$ 986,475</b>	<b>\$ 359,351</b>	<b>\$ 627,124</b>
<b>Grand Total</b>	<b>\$ 4,909,000 <sup>(1)</sup></b>	<b>\$ 2,865,493</b>	<b>\$ 2,043,507</b>

<sup>(1)</sup>The total includes the original budget of \$4,765,000 approved by the Board of Trustees plus \$144,000 of the NCAA distribution for Athletics to be expended in FY18. The total NCAA distribution was \$544,330 and will be expended over five years.

## CAPITAL PROJECTS

### For the Quarter Ended March 31, 2018

	Board Approved Budget June, 2017	Committed Projects at 03/31/2018	Expended FY18	Remaining To be Expended FY18	To be Expended FY19
	(1)	(2)			
<b>A. Fiscal Year 2017-18 New Projects</b>					
<b>General Fund</b>					
FY18 projects with budgets less than \$200,000	\$ 2,763,897	\$ 1,681,571	\$ 676,279	\$ 465,292	\$ 540,000
Arts Annex silica dust capture system (Design & Phase I)	200,000	200,000	47,812	52,188	100,000
Frasier interior painting	250,000	-	-	-	-
Heating Plant underground storage tanks replacement	450,000	19,564	19,564	-	-
Michener floor tile replacement in basement corridors	300,000	470	470	-	-
Skinner roof replacement	250,000	170,000	12,595	147,405	10,000
<b>Subtotal General Funded Projects</b>	<b>4,213,897</b>	<b>2,071,605</b>	<b>756,720</b>	<b>664,885</b>	<b>650,000</b>
<b>Housing, Dining, Extended Studies, Student Fees</b>					
FY18 projects with budgets less than \$200,000	529,650	325,666	109,504	118,512	97,650
Parking Lot "L" reconstruction upper level (\$850K total)	350,000	350,000	-	-	350,000
Arlington wireless data system replacement	300,000	200,000	2,403	122,597	75,000
Residence halls carpet and paint (\$4.7M total)	500,000	500,000	95,114	4,886	400,000
Lawrenson carpet replacement Phase II (\$420K total)	220,000	110,881	110,881	-	-
UC main lobby ceiling & lighting replacement	250,000	20,000	2,401	17,599	-
<b>Subtotal Auxiliary and Other Funded Projects</b>	<b>2,149,650</b>	<b>1,506,547</b>	<b>320,303</b>	<b>263,594</b>	<b>922,650</b>
<b>State Capital Appropriations</b>					
Butler Hancock pool AHU replacement	937,268	937,268	-	-	468,634
Frasier tunnel piping replacement & abatement	339,146	339,146	-	-	169,573
Fire sprinkler upgrade-Frasier (Phase I)	1,611,931	1,611,931	-	-	100,000
Fire sprinkler upgrade-Gunter (Phase II)	-	863,187	-	-	100,000
<b>Subtotal State Capital Appropriations</b>	<b>2,888,345</b>	<b>3,751,532</b>	<b>-</b>	<b>-</b>	<b>838,207</b>
<b>Equipment</b>	<b>925,834</b>	<b>883,540</b>	<b>711,213</b>	<b>92,327</b>	<b>80,000</b>
<b>Total Fiscal Year 2017-18 New Projects</b>	<b>\$ 10,177,726</b>	<b>\$ 8,213,224</b>	<b>\$ 1,788,236</b>	<b>\$ 1,020,806</b>	<b>\$ 2,490,857</b>
<b>B. Fiscal Year 2016-17 Projects in Progress</b>					
<b>General Fund</b>					
FY17 projects with budgets less than \$200,000	\$ 498,277	\$ 735,220	\$ 528,443	\$ 134,777	\$ 72,000
Campus wireless improvements	-	124,069	124,069	-	-
Parsons roof replacement	172,500	267,682	267,682	-	-
<b>Subtotal General Funded Projects</b>	<b>670,777</b>	<b>1,126,971</b>	<b>920,194</b>	<b>134,777</b>	<b>72,000</b>
<b>Housing, Dining, Extended Studies, Student Fees</b>					
FY17 projects with budgets less than \$200,000	322,768	151,317	149,655	(3,315)	4,977
Residence halls carpet and paint	206,000	90,918	90,918	-	-
Lawrenson carpet replacement Phase I	90,000	-	-	-	-
Harrison Hall roof replacement	240,000	197,279	197,279	-	-
UC roof replacement lobby area 2	108,000	127,232	127,232	-	-
Parking Lot "L" reconstruction lower level	500,000	499,384	34,203	298,181	167,000
<b>Subtotal Auxiliary and Other Funded Projects</b>	<b>1,466,768</b>	<b>1,066,130</b>	<b>599,287</b>	<b>294,866</b>	<b>171,977</b>
<b>Debt Funded Capital Projects</b>					
Energy Performance Contract	379,364	493,589	247,642	45,947	200,000
<b>Subtotal Restricted Capital Grants/Gifts</b>	<b>379,364</b>	<b>493,589</b>	<b>247,642</b>	<b>45,947</b>	<b>200,000</b>
<b>State Capital Appropriations</b>					
Fire sprinkler upgrade-McKee	991,131	993,949	39,059	463,759	491,131
Fire sprinklers Phase II of III	87,355	83,565	83,565	-	-
Fire sprinklers Phase III of III	1,120,923	1,450,923	8,918	991,082	450,923
Wireless & network upgrade	-	20,786	6,053	14,733	-
<b>Subtotal State Capital Appropriations</b>	<b>2,199,409</b>	<b>2,549,223</b>	<b>137,595</b>	<b>1,469,574</b>	<b>942,054</b>
<b>Campus Commons (multi-year)<sup>(3)</sup></b>					
State Capital Appropriation and Debt Funding	54,354,982	51,702,640	17,884,852	14,155,922	19,661,866
Capital Gifts from Foundation and Bridge Funding	4,575,216	7,174,834	3,786,156	-	3,388,678
<b>Subtotal Campus Commons (multi-year)</b>	<b>58,930,198</b>	<b>58,877,474</b>	<b>21,671,008</b>	<b>14,155,922</b>	<b>23,050,544</b>
<b>Equipment</b>	<b>50,000</b>	<b>188,430</b>	<b>160,570</b>	<b>27,860</b>	<b>-</b>
<b>Total Fiscal Year 2016-17 Projects in Progress</b>	<b>\$ 63,696,516</b>	<b>\$ 64,301,817</b>	<b>\$ 23,736,296</b>	<b>\$ 16,128,946</b>	<b>\$ 24,436,575</b>
<b>Total Capital Projects</b>	<b>\$ 73,874,242</b>	<b>\$ 72,515,041</b>	<b>\$ 25,524,532</b>	<b>\$ 17,149,752</b>	<b>\$ 26,927,432</b>

(1) Board Approved Budget includes (A) new FY18 project commitments and (B) estimated remaining expenditures on FY17 projects.

(2) Committed projects at 3/31/2018 includes (A) new FY18 projects commitments +/- project changes (B) actual remaining commitments to complete FY17 projects at 3/31/2018 and (C) early start FY19 projects.

(3) \$2.6 million of Campus Commons was expended in FY16 & \$12.2M in FY17.

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## RESTRICTED GRANTS AND CONTRACTS

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### Budget to Actual

For the Quarter Ended March 31,2018

	<u>Original Budget</u>	<u>Actual at 03/31/2018</u>
<b>REVENUE</b>		
Federal Grants	\$ 4,197,000	\$ 3,656,962
State and Local Grants	210,000	538,613
Other Private Grants	187,000	176,800
UNC Foundation Grants	432,000	511,164
<b>TOTAL REVENUE</b>	<b>\$ 5,026,000</b>	<b>\$ 4,883,539</b>
<b>EXPENSES/TRANSFERS</b>		
<b>Personnel Expenses</b>		
Faculty Salaries	\$ 841,000	\$ 761,575
Administrative Exempt Salaries	896,000	883,019
Graduate Teaching Assistants	140,000	105,519
GA/TA/GRA Tuition Scholarships	50,000	72,776
Classified Salaries	7,000	3,271
Student Wages	127,000	107,829
Other Wages/Compensations	62,000	89,338
Fringe Benefits	519,000	508,427
<b>Subtotal Personnel Expenses</b>	<b>\$ 2,642,000</b>	<b>\$ 2,531,753</b>
<b>Non-Personnel Expenses</b>		
Other Current Expenses	\$ 227,000	\$ 151,612
Purchased Services	418,000	443,272
Supplies	183,000	118,724
Cost Allocation & Utilities	-	13,649
Grant Facility and Administrative Recovery	498,000	408,453
Scholarships	897,000	1,057,739
Travel	157,000	154,439
Capital	4,000	4,618
<b>Subtotal Non-Personnel Expenses</b>	<b>\$ 2,384,000</b>	<b>\$ 2,352,506</b>
<b>TOTAL EXPENSES/TRANSFERS</b>	<b>\$ 5,026,000</b>	<b>\$ 4,884,259</b>
<b>REVENUE LESS EXPENSES/TRANSFERS</b>	<b>\$ -</b>	<b>\$ (720)</b>

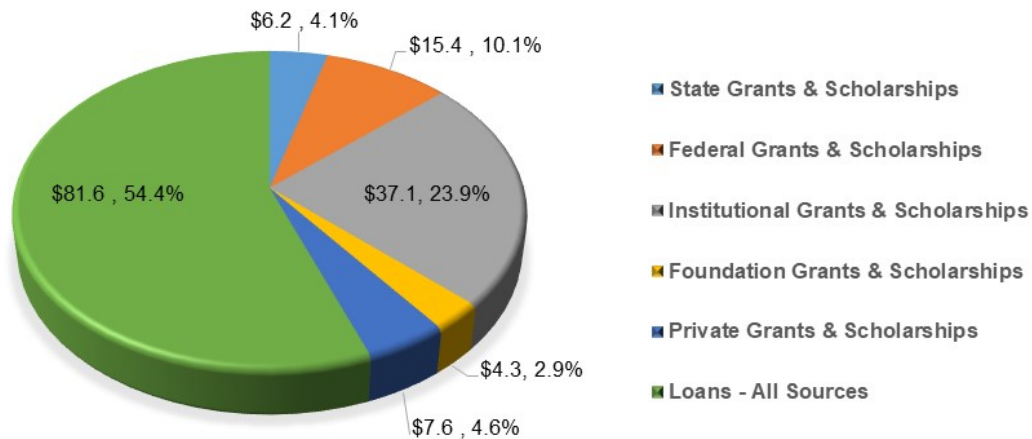
## FINANCIAL AID

Table 6 and Figure 4 show the total financial aid available to students from all funding sources, including state, federal, institutional, private funds and loans. Table 6 includes the FY18 budget (aid expected when the budget was developed), the FY18 forecast (aid expected as of March 31, 2018) and the actual aid paid to date (the Actual at 03/31/2018 column). Figure 4 shows the allocation of the forecasted financial aid by source. Approximately 70% of total financial aid is used to pay student bills, while 30% is “refunded” to the students for living expenses and books.

Table 6. FY18 Total Financial Aid by Source and Type - Undergraduate and Graduate

Aid Type and Source	FY18 Budget	FY18 Forecast	Actual at 03/31/2018
Grants & Scholarships			
State	\$ 6,158,675	\$ 6,158,675	\$ 5,852,379
Federal	13,601,952	15,402,502	14,790,951
UG Institutional <sup>(a)</sup>	27,915,144	30,225,080	29,687,019
UG Room & Board Waivers <sup>(a)</sup>	1,200,000	1,129,200	1,092,110
GR Institutional <sup>(a)</sup>	5,616,839	5,799,007	5,667,841
UNC Foundation (UG & GR) <sup>(b)</sup>	4,225,000	4,354,277	4,097,764
Private	6,798,100	7,599,091	6,384,891
<b>Subtotal Grants &amp; Scholarships</b>	<b>\$ 65,515,710</b>	<b>\$ 70,667,832</b>	<b>\$ 67,572,955</b>
Loans-All Sources	82,349,000	81,563,065	74,714,622
<b>Total Financial Aid</b>	<b>\$ 147,864,710</b>	<b>\$ 152,230,897</b>	<b>\$ 142,287,577</b>
<i>(a) Total Institutional Aid</i>	<i>\$ 34,731,983</i>	<i>\$ 37,153,287</i>	<i>\$ 36,446,970</i>
<i>(b) UNC Foundation</i>	<i>4,225,000</i>	<i>4,354,277</i>	<i>4,097,764</i>
<i>Total Discounting on Operating Budget</i>	<i>\$ 38,956,983</i>	<i>\$ 41,507,564</i>	<i>\$ 40,544,734</i>

Figure 4. FY18 Financial Aid Forecast at 03/31/2018 (\$152.2 million)



Our institutional discount rate demonstrates the financial impact on UNC of offering institutional scholarships and waivers. Our institutional discount rate is the percentage of tuition and fee revenue we use for scholarships and waivers. Table 7 shows the undergraduate discount rate.

Table 7. Undergraduate Tuition and Fee Discounting

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget	FY18 Forecast
Undergraduate Tuition & Fees (Main & Extended)	\$ 83,192,118	\$ 86,409,555	\$ 95,389,717	\$ 104,320,298	\$ 101,728,458
Institutional Scholarships	(16,810,417)	(18,229,527)	(23,449,422)	(27,915,144)	(30,225,080)
<b>Discounted Revenue</b>	<b>\$ 66,381,701</b>	<b>\$ 68,180,028</b>	<b>\$ 71,940,295</b>	<b>\$ 76,405,154</b>	<b>\$ 71,503,378</b>
Discount Percent	20.2%	21.1%	24.6%	26.8%	29.7%

Institutionally funded financial aid for graduate students includes tuition and fee waivers and stipends for students who are awarded teaching, research, or administrative assistantships, as well as a limited number of scholarships. Only tuition and fee waivers and scholarships are included in graduate discounting calculations; stipends are budgeted as personnel expense for teaching, conducting research, or performing administrative tasks. Table 8 shows the graduate discount rate.

Table 8. Graduate Tuition and Fee Discounting

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget	FY18 Forecast
Graduate Tuition & Fees (Main & Extended)	\$ 26,553,964	\$ 28,197,639	\$ 32,236,827	\$ 36,448,611	\$ 34,094,770
Institutional Scholarships and Waivers	(4,144,139)	(4,680,713)	(5,473,747)	(5,616,839)	(5,799,007)
<b>Discounted Revenue</b>	<b>\$ 22,409,825</b>	<b>\$ 23,516,926</b>	<b>\$ 26,763,080</b>	<b>\$ 30,831,772</b>	<b>\$ 28,295,763</b>
Discount Percent	15.6%	16.6%	17.0%	15.4%	17.0%

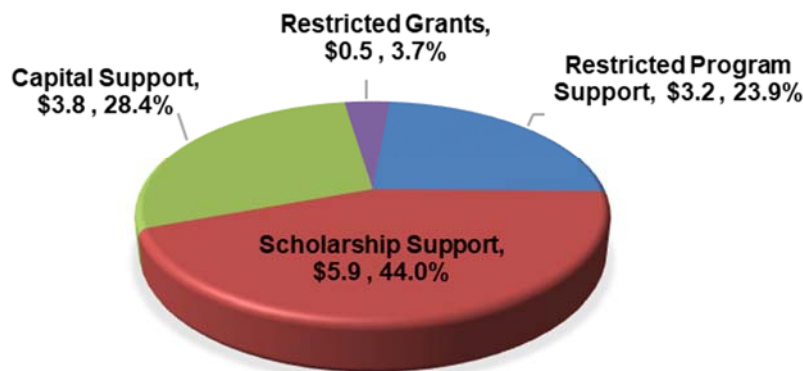
Table 9 shows the room and board discount rate.

Table 9. Room and Board Discounting

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget	FY18 Forecast
Undergraduate Room and Board Revenue	\$ 30,824,114	\$ 31,851,176	\$ 33,324,849	\$ 34,621,092	\$ 34,835,656
Room and Board Waivers/Scholarships	(1,047,182)	(1,104,576)	(1,115,924)	(1,200,000)	(1,129,200)
<b>Discounted Revenue</b>	<b>\$ 29,776,932</b>	<b>\$ 30,746,600</b>	<b>\$ 32,208,925</b>	<b>\$ 33,421,092</b>	<b>\$ 33,706,456</b>
Discount Percent	3.4%	3.5%	3.3%	3.5%	3.2%

FOUNDATION SUPPORT EXPENDED\*

**\$13.4 Million**



	FY18 Budget	FY18 Forecast	Variance
<b>Restricted Program Support</b>			
Athletics	\$ 482,125	\$ 702,125	\$ 220,000
Provost	65,919	17,000	(48,919)
Library	364,010	335,010	(29,000)
EBS	201,439	281,000	79,561
HSS	161,425	175,675	14,250
MCB	638,330	638,330	-
NHS	122,093	122,093	-
PVA	160,300	208,000	47,700
Stryker Institute	275,876	275,876	-
Tointon Institute	228,000	300,000	72,000
Other	140,300	140,300	-
<b>Total Restricted Program Support</b>	<b>\$ 2,839,817</b>	<b>\$ 3,195,409</b>	<b>\$ 355,592</b>
<b>Scholarships</b>			
Institutional Scholarship Support	\$ 1,550,000	\$ 1,550,000	\$ -
<b>Restricted Scholarships</b>			
Named and Endowed Scholarships	3,450,000	3,579,277	129,277
Athletics Scholarships	525,000	525,000	-
Greeley Promise & Other Scholarships	250,000	250,000	-
<b>Total Scholarship Support</b>	<b>\$ 5,775,000</b>	<b>\$ 5,904,277</b>	<b>\$ 129,277</b>
<b>Capital Support</b>			
Campus Commons	\$ 1,900,000	\$ 3,786,156	\$ 1,886,156
Athletics Softball Backstop	35,000	5,000	(30,000)
PVA Gray Hall	20,000	20,000	-
<b>Total Capital Support</b>	<b>\$ 1,955,000</b>	<b>\$ 3,811,156</b>	<b>\$ 1,856,156</b>
<b>Grants</b>			
Daniels Fund	\$ 161,121	\$ 161,121	\$ -
Frontiers of Science	185,615	185,615	-
Grants under \$100,000	85,264	164,428	79,164
<b>Total Grants Support</b>	<b>\$ 432,000</b>	<b>\$ 511,164</b>	<b>\$ 79,164</b>
<b>Total Foundation Support</b>	<b>\$ 11,001,817</b>	<b>\$ 13,422,007</b>	<b>\$ 2,420,190</b>

\* Reflects the forecast for funds that will be transferred to UNC and used in the current year. It does not reflect funds raised.