

UNIVERSITY OF NORTHERN COLORADO: FINANCIAL REPORT

09/30/2017

OVERVIEW

Financial highlights of the fiscal year 2017-18 1st quarter financial report are summarized below:

Cash (pages 2-3)

- The University's cash position is \$51.0 million with \$21.8 million in centralized reserves.
- UNC's low point in cash is August 15th and is typically \$20-\$25 million less than cash at June 30. Cash at June 30, 2018 is forecasted to be \$47.0 million.

Reserves (page 4)

- Reserves are currently \$21.8 million, with \$12.6 million in the University Reserve after funding FY18 strategic investments and FY18 capital projects.

Accounts Receivable (page 5)

- The 1st quarter net accounts receivable is \$23.1 million, which is \$7.2 million higher than last year at this time due to a \$7.3 million timing difference in the fall 2017 College Opportunity Fund (COF) payment. 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.

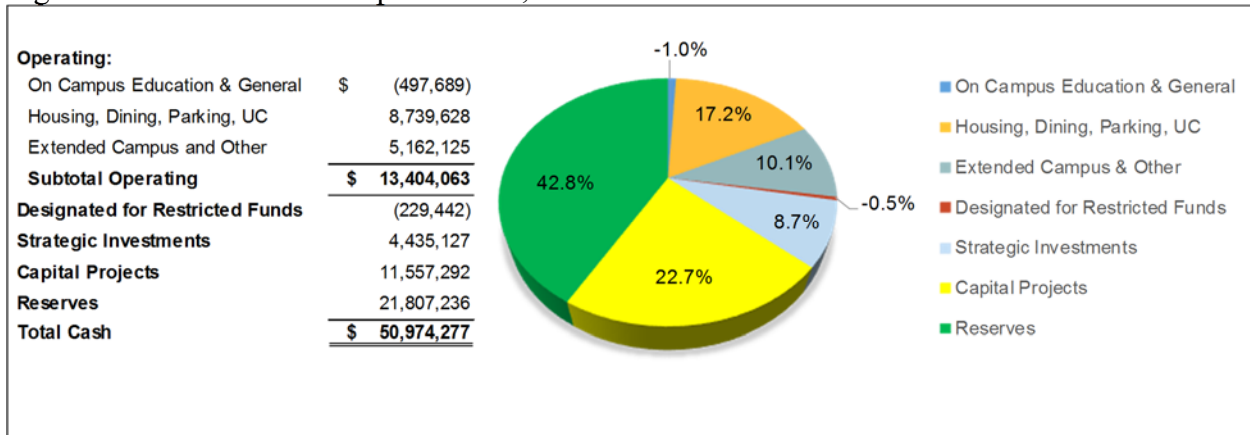
Operating Budget (page 6)

- The fiscal year 2017-18 operating budget at 1st quarter forecast shows operating results of \$9.0 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 \$0.6 million. Details of revenues, expenditures and transfers are as follows:
 - Net revenue - \$201.8 million
 - Gross tuition, fees and room & board - \$172.6 million
 - Discounting - \$39.9 million
 - State appropriations - \$39.6 million
 - Foundation support - \$12.0 million
 - All other revenue - \$17.5 parking, athletics, theater, etc.)
 - Personnel expenditures - \$136.3 million
 - Non-personnel expenditures - \$44.7 million
 - Debt payments for bonds and capital leases - \$11.8 million
 - Transfer of restricted Foundation and other operating funds to the Capital Budget - \$3.0 million
 - Transfer to Capital Budget - \$6.6 million

CASH

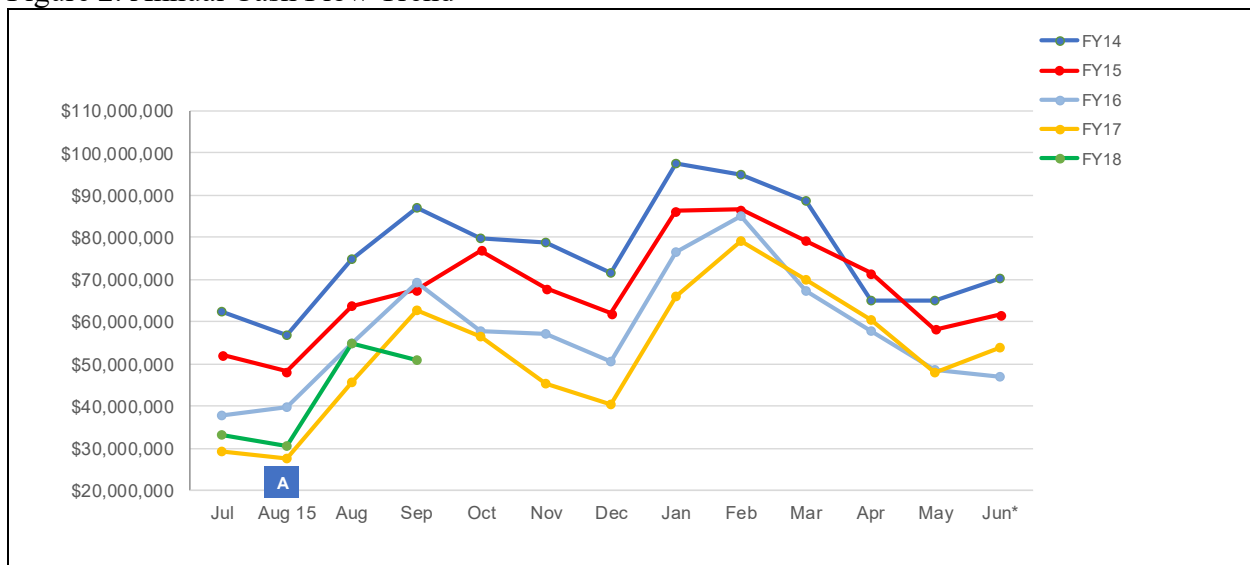
Total cash, as of September 30, 2017, is \$51.0 million. Campus Commons bond proceeds of \$27.4 million are not included in the cash balances in Figure 1. The On Campus Education and General cash balance is \$0.5 million in deficit due to the COF and Fee-For-Service (FFS) payments that are normally deposited before September 30 each year were not received until October 2017. The total of these payments was \$13.3 million.

Figure 1. Cash Balance at September 30, 2017



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.

Figure 2. Annual Cash Flow Trend



The University's cash position is \$11.6 million less than the previous year at this time, as shown in Table 1. This decrease is due to timing differences in the receipt of \$7.3 million in COF and \$6.0 million in Fee-For-Service contract payments from the State of Colorado. These payments were received prior to September 30th in FY17, but received in October in FY18. If these payments had been received in the 1st quarter in both fiscal years, the University would have \$64.3 million in cash at quarter-end, which is a \$1.7 million increase over this point in time last year.

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	
Nov	78,689,806	67,829,386	57,080,941	45,297,668	
Dec	71,509,152	61,966,401	50,684,129	40,268,950	
Jan	97,526,719	86,298,922	76,476,844	66,080,438	
Feb	94,867,317	86,539,392	85,070,248	79,274,077	
Mar	88,777,015	79,278,071	67,433,066	69,900,428	
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 \$6.9 million.

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

	Operating	Restricted	Strategic Investments	Capital Projects	Reserves	Total
Cash at 06/30/2017 (a)	\$ 19.5	\$ 0.5	\$ 1.9	\$ 4.7	\$ 27.3	\$ 53.9
FY18 Transfers						
Strategic Investments	-	-	3.8	-	(3.8)	-
Capital Projects/Small Equipment	(4.8)	-	-	7.0	(2.2)	-
Perkins UNC Portion	0.1	(0.1)	-	-	-	-
Fiscal Year End Transfers	(1.8)	-	-	-	1.8	-
Foundation Capital Gifts	(3.0)	-	-	3.0	-	-
Subtotal Transfers	(9.5)	(0.1)	3.8	10.0	(4.2)	-
FY18 Net Cash Inflows (Outflows)						
Operating Results FY18	9.0	(0.2)	-	-	-	8.8
Sale of Assets	-	-	-	-	0.4	0.4
Strategic Investments	-	-	(4.2)	-	-	(4.2)
Capital Cash State & Debt	-	-	-	49.9	-	49.9
Capital Projects/Small Equipment	-	-	-	(61.8)	-	(61.8)
Subtotal Inflows (Outflows)	9.0	(0.2)	(4.2)	(11.9)	0.4	(6.9)
Cash at 06/30/2018 (a)	\$ 19.0	\$ 0.2	\$ 1.5	\$ 2.8	\$ 23.5	\$ 47.0

(a) The 6/30/2018 year-end annual report will include \$0.5 million of unexpended Campus Commons bond proceeds in Restricted Cash and Cash Equivalents in addition to the amount on this schedule.

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. The University Reserve is declining as we continue to make strategic investments and fund capital projects.

Table 3. Cash Reserves Summary at September 30, 2017

	06/30/2017		FY18 Q1 Activity	09/30/2017
Mandatory				
Bonded R&R	\$ 750,000		\$ -	\$ 750,000
Capital				
Student Fees	5,231,422	a,c,e	(370,989)	4,860,433
Other Capital Reserves	2,689,252	a,d,e	(1,781,154)	908,098
Other				
Risk Management and Insurance	2,650,000		-	2,650,000
University Reserve	15,997,820	b	(3,359,115)	12,638,705
Total Reserves	\$ 27,318,494		\$ (5,511,258)	\$ 21,807,236

a. Fund \$6.4 million in FY18 capital projects & \$0.9 million in FY18 capital equipment

b. Fund \$3.4 million in FY18 strategic investments

c. Transfer \$4.3 million from Student Capital Fee and LEAF Fee operating cash into capital reserves

d. Transfer \$0.4 million from Parking Services operating cash & rebate revenue into capital reserves

e. Closed 25 projects \$0.3 million under budget

ACCOUNTS RECEIVABLE

Table 4 and Figure 3 show that the September 30, 2017, 1st quarter balance in student accounts receivable is \$7,177,936 million more than the previous year. This large increase is due to the fall 2017 COF payment of \$7,333,750 being received on October 6, 2017, after the end of quarter 1. If the payment had been received prior to 9/30/17, our net student accounts receivable would have been \$155,814 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)

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

Figure 3. Student Accounts Receivable (Net)

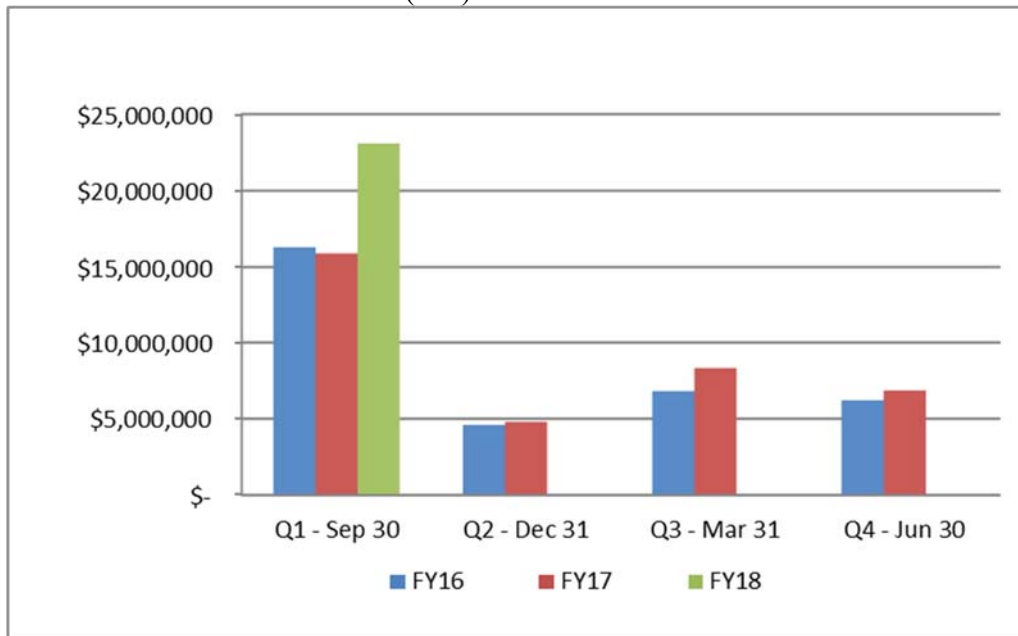


Table 5 represents accounts receivable as a percentage of tuition, fees and room and board revenue at fiscal year-end.

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

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
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 September 30, 2017¹

	Notes	Original Budget	Annual Forecast	% of Total	Variance fav (unfav)	Actual at 09/30/2017	% Actual to Budget
REVENUES							
Tuition-Undergraduate Main Campus	2	\$ 79,507,990	\$ 77,691,371	38.5%	\$ (1,816,619)	\$ 38,186,939	48.0%
Tuition-Graduate Main Campus	2	18,051,905	16,263,251	8.1%	(1,788,654)	6,920,960	38.3%
Tuition-Undergraduate Extended Campus	2	4,388,691	4,881,276	2.4%	492,585	1,675,496	38.2%
Tuition-Graduate Extended Campus	2	16,425,485	17,209,110	8.5%	783,625	6,119,452	37.3%
Student Fees	2	15,841,871	15,208,630	7.6%	(633,241)	7,082,484	44.7%
Academic Fees - General Funds	3	6,441,309	6,084,945	3.0%	(356,364)	2,926,143	45.4%
Academic Fees - Extended Studies	3	111,658	135,380	0.1%	23,722	50,563	45.3%
Room and Board	4	34,621,092	35,154,432	17.4%	533,340	18,225,803	52.6%
Subtotal Tuition, Fees and Room & Board		175,390,001	172,628,395	85.6%	(2,761,607)	81,187,840	46.3%
Scholarships (includes Foundation)	5	(32,730,444)	(33,458,667)	-16.6%	(728,223)	(17,128,225)	52.3%
Graduate GA/TA Waivers	5	(5,026,539)	(5,289,795)	-2.6%	(263,256)	(2,673,760)	53.2%
R & B Waivers	5	(1,200,000)	(1,111,270)	-0.6%	88,730	(535,270)	44.6%
Subtotal Discounting		(38,956,983)	(39,859,732)	-19.8%	(902,749)	(20,337,255)	52.2%
COF Resident	6	15,477,118	15,261,728	7.6%	(215,390)	7,369,585	47.6%
Fee For Service	6	24,120,290	24,335,680	12.0%	215,390	6,030,072	25.0%
Subtotal State Support		39,597,408	39,597,408	19.6%	-	13,399,657	33.8%
Foundation Restricted Gifts for Operations	7	2,839,817	2,866,559	1.4%	26,742	600,207	21.1%
Foundation Restricted Capital Gifts	8	1,955,000	3,019,482	1.5%	1,064,482	20,000	1.0%
Foundation Restricted Scholarships	7	4,225,000	4,549,853	2.2%	324,853	1,650,444	39.1%
Foundation Unrestricted (design. for scholarships)	7	1,550,000	1,550,000	0.8%	-	387,501	25.0%
Subtotal Foundation Support		10,569,817	11,985,894	5.9%	1,416,077	2,658,152	25.1%
Other Auxiliary Services	9	6,580,468	6,936,737	3.4%	356,269	2,511,704	38.2%
Restricted Grant Facilities/Admin Recovery	9	520,000	720,000	0.4%	200,000	173,717	33.4%
Other Revenue	9	8,672,753	8,186,684	4.1%	(486,069)	2,741,541	31.6%
Net Non-Operating Revenues	9	1,446,250	1,576,166	0.8%	129,916	325,118	22.5%
Subtotal Other Revenue		17,219,471	17,419,587	8.7%	200,116	5,752,080	33.4%
NET REVENUES		\$203,819,714	\$ 201,771,552	100.0%	\$ (2,048,163)	\$ 82,660,474	40.6%
EXPENDITURES AND DEBT PAYMENTS							
Faculty Salaries	10	\$ 45,779,792	\$ 45,112,142	23.4%	\$ 667,650	\$ 10,171,682	22.2%
Exempt Salaries	10	30,419,120	30,223,500	15.6%	195,620	7,521,892	24.7%
Classified Salaries	10	19,332,589	19,100,000	9.9%	232,589	4,697,308	24.3%
Graduate Stipends	10	5,201,241	5,535,678	2.9%	(334,437)	1,270,549	24.4%
Student and Other Wages	10	6,112,630	5,912,955	3.1%	199,675	1,375,898	22.5%
Fringe Benefits	10	30,734,000	30,400,806	15.8%	333,194	7,824,945	25.5%
Subtotal Personnel Expenses		137,579,372	136,285,081	70.7%	1,294,291	32,862,274	23.9%
Cost of Sales	11	4,661,933	4,867,449	2.5%	(205,516)	1,404,378	30.1%
Other Current Expenses	11	12,198,696	11,761,080	6.1%	437,616	5,007,874	41.1%
Purchased Services	11	10,613,938	10,439,554	5.4%	174,384	2,647,616	24.9%
Supplies	11	6,327,710	6,034,390	3.2%	293,320	1,452,393	23.0%
Cost Allocation and Recoveries	11	(888,767)	(869,296)	-0.5%	(19,471)	(219,890)	24.7%
Utilities	11	5,783,641	5,826,857	3.1%	(43,216)	1,466,094	25.3%
Travel	11	4,460,905	4,302,990	2.2%	157,915	1,020,650	22.9%
Capital	11	2,476,516	2,331,152	1.2%	145,364	301,285	12.2%
Subtotal Non-personnel Expenses		45,634,572	44,694,176	23.2%	940,396	13,080,400	28.7%
Debt Service on Bonds	12	10,608,286	10,625,571	5.5%	(17,285)	2,657,575	25.1%
Capital Lease Payment	12	1,116,145	1,163,052	0.6%	(46,907)	351,521	31.5%
Subtotal Debt Payments		11,724,431	11,788,623	6.1%	(64,192)	3,009,096	25.7%
TOTAL EXPENDITURES AND DEBT PAYMENTS		\$194,938,375	\$ 192,767,880	100.0%	\$ 2,170,495	\$ 48,951,770	25.1%
OPERATING RESULTS		\$ 8,881,339	\$ 9,003,672		\$ 122,333	\$ 33,708,704	
Transfer to Capital Budget - Foundation	8	1,955,000	3,019,482		(1,064,482)	20,000	
Transfers to Capital Budget	13	6,912,682	6,632,630		280,052	4,828,922	
OPERATING RESULTS LESS TRANSFERS		\$ 13,657	\$ (648,441)		\$ (662,098)		

See Explanation of Notes on page 7.

Recap of FY18 Forecasted Cash Outflow	
Operating Results (above)	\$ 9,003,672
Strategic Investments (page 9)	(4,209,000)
Capital (page 10)	(11,900,000)
Other (page 3)	200,000
Total (Table 2, page 3)	\$ (6,905,328)

Notes to First 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	Main campus tuition and fees are 57.2% of the net operating revenue and are forecasted to be \$4.6 million under budget for FY18.
3	Extended Campus tuition and fees are 11.0% of net operating revenue and are forecasted to be \$1.3 million over budget for FY18.
4	Room and Board revenues represent 17.4% of net operating revenue and are forecasted to be \$0.5 million over budget for FY18.
5	Discounting includes scholarship expense, graduate tuition waivers and room and board waivers. Total discounting is forecasted to be \$0.9 million more than budget, primarily due to undergraduate need-based awards and undergraduate merit awards exceeding budgeted amounts.
6	State support is 19.6% 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 \$12.0 million, or 5.9% of net operating revenue.
8	The forecast for FY18 includes \$3.0 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 plans to utilize \$3.0 million in capital gifts for FY18, rather than the \$1.9 million that is budgeted.
9	Other sources of revenue comprised 8.7% 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 \$0.5 million less than budget primarily due to a guaranteed game for Athletics in Florida was cancelled due to hurricane Irma.
10	Personnel expenditures are 70.7% of total expenditures. Personnel expenditures are \$1.3 million under budget due to vacancy savings.
11	Non-personnel expenditures are 23.2% of total expenditures. The university is working to contain costs this year and we currently forecast being \$0.9 million under budget.
12	Debt service and capital leases are 6.1% 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 09/30/2017
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	\$27,646,648	\$400,628	\$24,604,958	\$ 3,435,451	\$ 56,087,685	\$ (153,485)
Non-Resident	6,030,635	51,565	5,388,412	899,218	12,369,830	5,653,393	71,447	5,005,841	916,708	11,647,389	(722,441)
WUE	5,300,851	58,307	4,805,540	732,292	10,896,990	4,840,931	64,022	4,385,330	666,014	9,956,297	(940,693)
Subtotal	38,879,730	532,310	34,907,383	5,188,567	79,507,990	38,140,972	536,097	33,996,129	5,018,173	77,691,371	(1,816,619)
Extended Campus	1,750,110	65,268	1,303,390	1,269,923	4,388,691	1,731,285	99,867	1,479,835	1,570,289	4,881,276	492,585
FY18 Total	\$40,629,840	\$597,578	\$36,210,773	\$ 6,458,490	\$ 83,896,681	\$39,872,257	\$635,964	\$35,475,964	\$ 6,588,462	\$ 82,572,647	\$(1,324,034)
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	\$ 4,219,470	\$ -	\$ 4,398,540	\$ 1,750,051	\$ 10,368,061	\$(1,734,429)
Non-Resident	3,006,278	-	2,378,376	564,761	5,949,415	2,968,288	-	2,400,403	526,499	5,895,190	(54,225)
Subtotal	8,189,478	-	7,303,696	2,558,731	18,051,905	7,187,758	-	6,798,943	2,276,550	16,263,251	(1,788,654)
Extended Campus	5,971,331	-	5,571,485	4,882,669	16,425,485	6,130,745	-	5,848,665	5,229,700	17,209,110	783,625
FY18 Total	\$14,160,809	\$ -	\$12,875,181	\$ 7,441,400	\$ 34,477,390	\$13,318,503	\$ -	\$12,647,608	\$ 7,506,250	\$ 33,472,361	\$(1,005,029)
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	\$31,866,118	\$400,628	\$29,003,498	\$ 5,185,502	\$ 66,455,746	\$(1,887,914)
Non-Resident	9,036,913	51,565	7,766,788	1,463,979	18,319,245	8,621,681	71,447	7,406,244	1,443,207	17,542,579	(776,666)
WUE	5,300,851	58,307	4,805,540	732,292	10,896,990	4,840,931	64,022	4,385,330	666,014	9,956,297	(940,693)
Subtotal	47,069,208	532,310	42,211,079	7,747,298	97,559,895	45,328,730	536,097	40,795,072	7,294,723	93,954,622	(3,605,273)
Extended Campus	7,721,441	65,268	6,874,875	6,152,592	20,814,176	7,862,030	99,867	7,328,500	6,799,989	22,090,386	1,276,210
FY18 Total	\$54,790,649	\$597,578	\$49,085,954	\$13,899,890	\$118,374,071	\$53,190,760	\$635,964	\$48,123,572	\$14,094,712	\$116,045,008	\$(2,329,063)

STRATEGIC INVESTMENTS BUDGET

For the Quarter Ended September 30, 2017

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	493
Prepaid Expenses	81,250
Year to date FY18 expenditures	(874,696)
Cash in Strategic Investments at September 30, 2017	\$ 4,435,127

Multiyear Commitments	Total FY18 Budget	Actual Expenditures at 09/30/2017	Available Balance
Enrollment and Pricing	\$ 75,000	\$ -	\$ 75,000
Equity and Diversity	52,525	16,795	35,730
Integrated Student Support Plans			
Student Success Collaborative	210,000	81,250	128,750
Student Food Insecurity Project	40,000	10,344	29,656
Subtotal Integrated Student Support Plans	\$ 250,000	\$ 91,594	\$ 158,406
Academic Portfolio			
Accreditation	150,000	61,179	88,821
Program Review & Assessment	60,000	1,789	58,211
Various Academic Portfolio	70,000	-	70,000
Subtotal Academic Portfolio	\$ 280,000	\$ 62,968	\$ 217,032
Research Scholarship and Creative Works			
Grant Match Funds	400,000	72,652	327,348
Faculty Start-Up Packages	325,000	47,697	277,303
Faculty Awards & Development	395,000	79,318	315,682
Innovation Dev. & Enterprise Adv. (IDEA)	30,000	23,035	6,965
UNC Cancer Rehabilitation Institute	164,376	65,512	98,864
Other Institutes	130,624	-	130,624
RSCW Faculty Reassign Program	120,000	1,324	118,676
Education Innovation Institute	150,000	28,025	121,975
Unrestricted Research Incentive	650,000	123,464	526,536
Subtotal Research Scholarship and Creative Works	\$ 2,365,000	\$ 441,027	\$ 1,923,973
Total Core Plan Investments	\$ 3,022,525	\$ 612,384	\$ 2,410,141
Support Plan Investments			
Information Management Plan	900,000	120,385	779,615
Total Support Plan Investments	\$ 900,000	\$ 120,385	\$ 779,615
Other Strategic Investments			
I@UNC	175,000	-	175,000
Emergency Management	40,000	-	40,000
Circulation/Master Planning	95,975	-	95,975
Emerging University Priorities	120,000	-	120,000
Athletics NCAA Distribution	144,000	11,905	132,095
Campus Commons	1,500	2,954	(1,454)
Compensation Identity Initiative	-	1,950	(1,950)
Innovation - Online Course Development	410,000	125,118	284,882
Total Other Strategic Investments	\$ 986,475	\$ 141,927	\$ 844,548
Grand Total	\$ 4,909,000 ⁽¹⁾	\$ 874,696	\$ 4,034,304

⁽¹⁾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 September 30, 2017

	Board Approved Budget June, 2017	Committed Projects at 09/30/2017	Expended FY18	Remaining To be Expended FY18	To be Expended FY19
A. Fiscal Year 2017-18 New Projects	(1)	(2)			
General Fund					
FY18 projects with budgets less than \$200,000	\$ 2,763,897	\$ 2,765,840	\$ 251,712	\$ 2,055,128	\$ 459,000
Arts Annex silica dust capture system (Design & Phase I)	200,000	200,000	254	99,746	100,000
Frasier interior painting	250,000	250,000	-	125,000	125,000
Heating Plant underground storage tanks replacement	450,000	450,000	508	349,492	100,000
Michener floor tile replacement in basement corridors	300,000	300,000	-	100,000	200,000
Skinner roof replacement	250,000	250,000	381	249,619	-
Subtotal General Funded Projects	4,213,897	4,215,840	252,855	2,978,985	984,000
Housing, Dining, Extended Studies, Student Fees					
FY18 projects with budgets less than \$200,000	529,650	544,985	-	464,985	80,000
Parking Lot "L" reconstruction upper level (\$850K total)	350,000	350,000	-	-	350,000
Arlington wireless data system replacement	300,000	300,000	-	300,000	-
Residence halls carpet and paint (\$4.7M total)	500,000	500,000	74,743	325,257	100,000
Lawrenson carpet replacement Phase II (\$420K total)	220,000	130,993	110,881	20,112	-
UC main lobby ceiling & lighting replacement	250,000	250,000	-	150,000	100,000
Subtotal Auxiliary and Other Funded Projects	2,149,650	2,075,978	185,624	1,260,354	630,000
State Capital Appropriations					
Butler Hancock pool AHU replacement	937,268	937,268	-	937,268	-
Frasier tunnel piping replacement & abatement	339,146	339,146	-	339,146	-
Fire sprinkler upgrade-Gunter & Frasier	1,611,931	1,611,931	-	811,931	800,000
Subtotal State Capital Appropriations	2,888,345	2,888,345	-	2,088,345	800,000
Equipment	925,834	925,834	153,483	697,351	75,000
Total Fiscal Year 2017-18 New Projects	\$ 10,177,726	\$ 10,105,997	\$ 591,962	\$ 7,025,035	\$ 2,489,000
B. Fiscal Year 2016-17 Projects in Progress					
General Fund					
FY17 projects with budgets less than \$200,000	\$ 498,277	\$ 917,320	\$ 366,920	\$ 550,400	\$ -
Campus wireless improvements	-	650,467	124,069	526,398	-
Parsons roof replacement	172,500	268,940	763	268,177	-
Subtotal General Funded Projects	670,777	1,836,727	491,752	1,344,975	-
Housing, Dining, Extended Studies, Student Fees					
FY17 projects with budgets less than \$200,000	322,768	476,865	85,943	338,245	52,677
Residence halls carpet and paint	206,000	90,918	90,918	-	-
Lawrenson carpet replacement Phase I	90,000	-	-	-	-
Harrison Hall roof replacement	240,000	199,939	193,816	6,123	-
UC roof replacement lobby area 2	108,000	115,750	14,341	101,409	-
Parking Lot "L" reconstruction lower level	500,000	499,384	1,970	497,414	-
Subtotal Auxiliary and Other Funded Projects	1,466,768	1,382,856	386,988	943,191	52,677
Debt Funded Capital Projects					
Energy Performance Contract	379,364	493,589	8,290	485,299	-
Subtotal Restricted Capital Grants/Gifts	379,364	493,589	8,290	485,299	-
State Capital Appropriations					
Fire sprinkler upgrade-McKee	991,131	993,949	-	502,818	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	-	1,000,000	450,923
Wireless & network upgrade	-	20,785	6,052	14,733	-
Subtotal State Capital Appropriations	2,199,409	2,549,222	6,052	1,601,116	942,054
Campus Commons (multi-year)⁽³⁾					
State Capital Appropriation and Debt Funding	54,354,982	51,702,640	4,455,293	41,268,450	5,978,897
Capital Gifts from Foundation and Bridge Funding	4,575,216	7,174,834	22,660	2,971,822	4,180,352
Subtotal Campus Commons (multi-year)	58,930,198	58,877,474	4,477,953	44,240,272	10,159,249
Equipment	50,000	199,995	81,745	118,250	-
Total Fiscal Year 2016-17 Projects in Progress	\$ 63,696,516	\$ 65,339,863	\$ 5,452,780	\$ 48,733,103	\$ 11,153,980
Total Capital Projects	\$ 73,874,242	\$ 75,445,860	\$ 6,044,742	\$ 55,758,138	\$ 13,642,980

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

(2) Committed projects at 09/30/2017 includes (A) new FY18 projects commitments +/- project changes and (B) actual remaining commitments to complete FY17 projects at 09/30/2017.

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

RESTRICTED GRANTS AND CONTRACTS

For the Quarter Ended September 30, 2017

	Original Budget	Actual at 09/30/2017
REVENUE		
Federal Grants	\$ 4,197,000	\$ 1,537,367
State and Local Grants	210,000	147,621
Other Private Grants	187,000	45,078
UNC Foundation Grants	432,000	165,448
TOTAL REVENUE	\$ 5,026,000	\$ 1,895,514
EXPENSES/TRANSFERS		
Personnel Expenses		
Faculty Salaries	\$ 841,000	\$ 284,529
Administrative Exempt Salaries	896,000	291,693
Graduate Teaching Assistants	140,000	31,806
GA/TA/GRA Tuition Scholarships	50,000	16,848
Classified Salaries	7,000	1,090
Student Wages	127,000	43,438
Other Wages/Compensations	62,000	36,720
Fringe Benefits	519,000	178,855
Subtotal Personnel Expenses	\$ 2,642,000	\$ 884,979
Non-Personnel Expenses		
Other Current Expenses	\$ 227,000	\$ 19,974
Purchased Services	418,000	145,826
Supplies	183,000	47,489
Cost Allocation & Utilities	-	7,732
Grant Facility and Administrative Recovery	498,000	143,429
Scholarships	897,000	590,456
Travel	157,000	53,575
Capital	4,000	-
Subtotal Non-Personnel Expenses	\$ 2,384,000	\$ 1,008,481
TOTAL EXPENSES/TRANSFERS	\$ 5,026,000	\$ 1,893,460
REVENUE LESS EXPENSES/TRANSFERS	\$ -	\$ 2,055

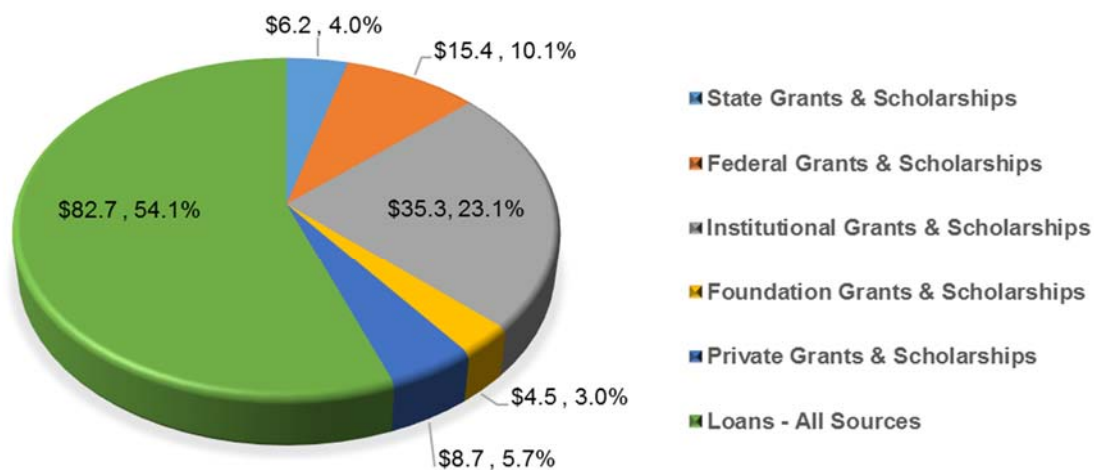
FINANCIAL AID

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 September 30, 2017) and the actual aid paid to date (the Actual at 9/30/2017 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 09/30/2017
Grants & Scholarships			
State	\$ 6,158,675	\$ 6,158,675	\$ 3,026,313
Federal	13,601,952	15,402,502	7,579,060
UG Institutional ^(a)	27,915,144	28,408,909	15,273,032
UG Room & Board Waivers ^(a)	1,200,000	1,111,270	535,270
GR Institutional ^(a)	5,616,839	5,789,700	2,878,512
UNC Foundation (UG & GR) ^(b)	4,225,000	4,549,853	1,650,441
Private	6,798,100	8,707,626	2,699,868
Subtotal Grants & Scholarships	\$ 65,515,710	\$ 70,128,535	\$ 33,642,496
Loans-All Sources	82,349,000	82,664,604	34,787,400
Total Financial Aid	\$ 147,864,710	\$ 152,793,139	\$ 68,429,896
<i>(a) Total Institutional Aid</i>	\$ 34,731,983	\$ 35,309,879	\$ 18,686,814
<i>(b) UNC Foundation</i>	4,225,000	4,549,853	1,650,441
<i>Total Discounting on Operating Budget</i>	\$ 38,956,983	\$ 39,859,732	\$ 20,337,255

Figure 4. FY18 Financial Aid Forecast at 09/30/2017 (\$152.8 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 revenue we use for scholarships and waivers. Table 7 shows the undergraduate discount rate.

Table 7. Undergraduate Tuition Discounting

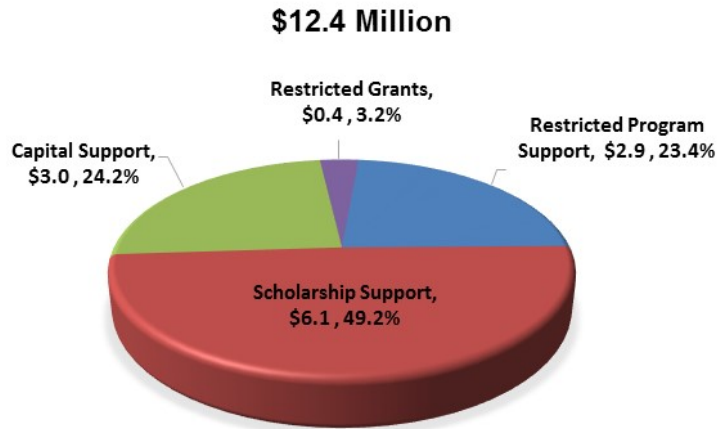
	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget	FY18 Forecast
Undergraduate Tuition (Main & Extended)	\$ 67,163,518	\$ 70,403,863	\$ 77,598,529	\$ 83,896,681	\$ 82,572,647
Institutional Scholarships	(16,810,417)	(18,229,527)	(23,449,422)	(27,915,144)	(28,408,909)
Discounted Revenue	\$ 50,353,101	\$ 52,174,336	\$ 54,149,107	\$ 55,981,537	\$ 54,163,738
Discount Percent	25.03%	25.89%	30.22%	33.27%	34.40%

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 Discounting

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Budget	FY18 Forecast
Graduate Tuition (Main & Extended)	\$ 24,950,925	\$ 26,658,783	\$ 30,518,580	\$ 34,447,390	\$ 33,472,361
Institutional Scholarships and Waivers	(4,144,139)	(4,680,713)	(5,473,747)	(5,516,839)	(5,789,700)
Discounted Revenue	\$ 20,806,786	\$ 21,978,070	\$ 25,044,833	\$ 28,930,551	\$ 27,682,661
Discount Percent	16.6%	17.6%	17.9%	16.0%	17.3%

FOUNDATION SUPPORT EXPENDED*



	FY18 Budget	FY18 Forecast	Variance
Restricted Program Support			
Athletics	\$ 482,125	\$ 482,125	\$ -
Provost	65,919	11,100	(54,819)
Library	364,010	335,010	(29,000)
EBS	201,439	240,000	38,561
HSS	161,425	161,425	-
MCB	638,330	638,330	-
NHS	122,093	122,093	-
PVA	160,300	160,300	-
Stryker Institute	275,876	275,876	-
Tointon Institute	228,000	300,000	72,000
Other	140,300	140,300	-
Total Restricted Program Support	\$ 2,839,817	\$ 2,866,559	\$ 26,742
Scholarships			
Institutional Scholarship Support	\$ 1,550,000	\$ 1,550,000	\$ -
Restricted Scholarships			
Named and Endowed Scholarships	3,450,000	3,774,853	324,853
Athletics Scholarships	525,000	525,000	-
Greeley Promise & Other Scholarships	250,000	250,000	-
Total Scholarship Support	\$ 5,775,000	\$ 6,099,853	\$ 324,853
Capital Support			
Campus Commons	\$ 1,900,000	\$ 2,994,482	\$ 1,094,482
Athletics Softball Backstop	35,000	5,000	(30,000)
PVA Gray Hall	20,000	20,000	-
Total Capital Support	\$ 1,955,000	\$ 3,019,482	\$ 1,064,482
Grants			
Daniels Fund	\$ 161,121	\$ 161,121	\$ -
Frontiers of Science	185,615	185,615	-
Grants under \$100,000	85,264	85,264	-
Total Grants Support	\$ 432,000	\$ 432,000	\$ -
Total Foundation Support	\$ 11,001,817	\$ 12,417,894	\$ 1,416,077

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