

UNIVERSITY OF NORTHERN COLORADO: FINANCIAL REPORT

09/30/2018

OVERVIEW

Financial highlights of the fiscal year 2018-19 1st quarter financial report are summarized below:

Cash (pages 2-3)

- The University's cash position is \$51.4 million with \$19.1 million in centralized reserves.
- Cash at June 30, 2019 (fiscal year-end) is forecasted to be \$33.0 million.

Reserves (page 4)

- Reserves are currently \$19.1 million, with \$4.5 million in the University Reserve after funding FY19 strategic investments and FY19 capital projects.

Accounts Receivable (page 5)

- The 1st quarter net accounts receivable is \$24.5 million, which is \$1.4 million higher 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.

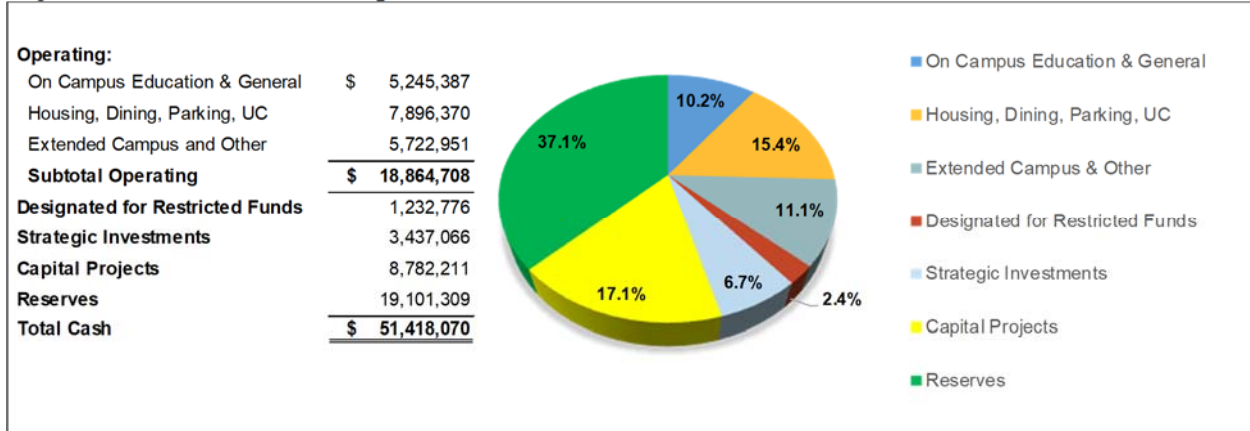
Operating Budget (page 6)

- The fiscal year 2018-19 operating budget at 1st quarter forecast shows operating results of \$5.3 million before transfers of UNC Foundation capital gifts, student capital fees, and other operating funds to capital reserves to finance future capital projects. Operating results less transfers is a deficit of \$4.5 million. Details of revenues, expenditures and transfers are as follows:
 - Net revenue - \$200.5 million
 - Gross tuition, fees and room & board - \$170.6 million
 - Discounting - \$41.3 million
 - State appropriations - \$42.5 million
 - Foundation support - \$11.5 million
 - All other revenue - \$17.2 parking, athletics, theater, etc.
 - Personnel expenditures - \$140.2 million
 - Non-personnel expenditures - \$44.0 million
 - Debt payments for bonds and capital leases - \$11.0 million
 - Transfer of restricted Foundation to Capital Budget - \$2.1 million
 - Transfer of student fee and other operating funds to Capital Budget - \$7.7 million

CASH

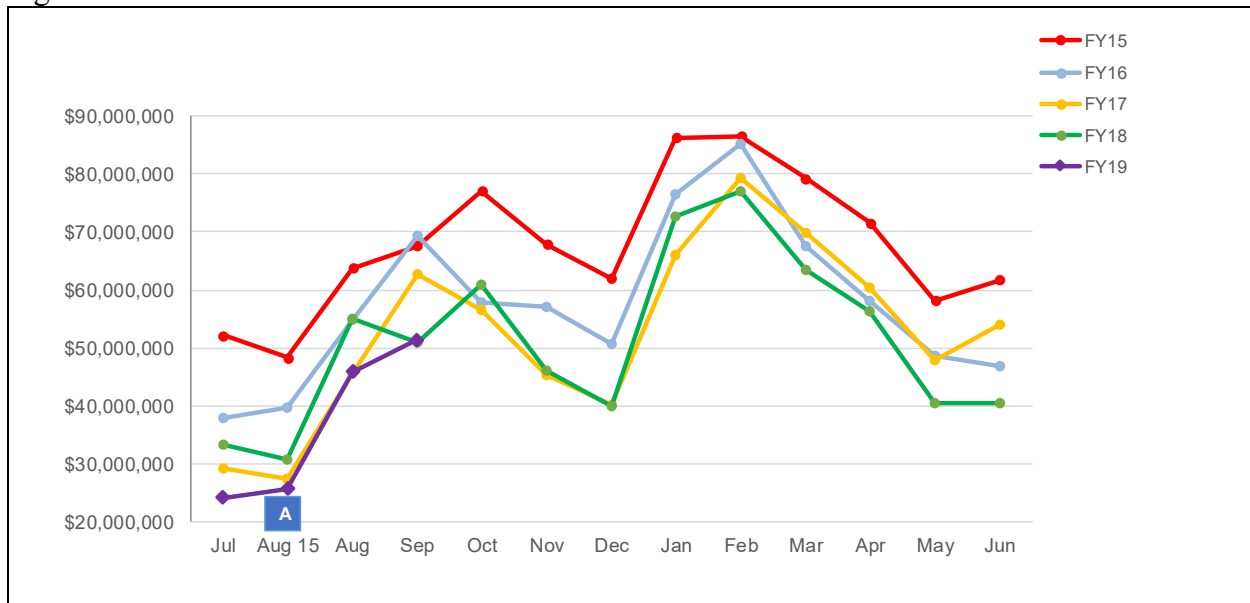
Total cash, as of September 30, 2018, is \$51.4 million. Campus Commons bond proceeds of \$16.3 million held by the University are not included in the cash balances in Figure 1.

Figure 1. Cash Balance at September 30, 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.

Figure 2. Annual Cash Flow Trend



The University's first quarter cash position is \$0.5 million more than the previous year at this time, as shown in Table 1. In both FY18 and FY19, the COF and Fee-For-Service payments were received in October rather than September as in previous years. In FY19, the payment for COF was \$7.9 million and Fee-For-Service was \$8.6 million.

Table 1. Overall Cash Balance

Month	FY15	FY16	FY17	FY18	FY19
Jul	52,203,773	37,814,641	29,249,252	33,276,779	24,244,573
Aug 15	48,277,445	39,776,437	27,569,804	30,695,963	25,687,881
Aug	63,727,315	54,843,178	45,569,608	55,010,566	45,894,538
Sep	67,633,545	69,407,889	62,576,984	50,974,277	51,418,070
Oct	77,000,173	57,813,291	56,504,939	60,844,876	
Nov	67,829,386	57,080,941	45,297,668	46,089,205	
Dec	61,966,401	50,684,129	40,268,950	39,944,050	
Jan	86,298,922	76,476,844	66,080,438	72,704,334	
Feb	86,539,392	85,070,248	79,274,077	77,058,925	
Mar	79,278,071	67,433,066	69,900,428	63,461,732	
Apr	71,527,719	57,968,958	60,462,128	56,317,591	
May	58,214,450	48,614,786	47,864,971	40,532,425	
Jun	61,721,397	46,873,470	53,966,795	40,531,605	

The University also has Campus Commons bond proceeds that are not included in the cash table for comparative purposes.

The cash forecast below is intended to give a quick summary of the effect of FY19 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 FY19 of \$7.5 million, which is \$3.0 million more than the budgeted decrease of \$4.5 million.

Table 2. Cash Forecast

	Operating	Restricted	Strategic Investments	Capital Projects	Reserves	Total
Cash at 06/30/2018	\$ 8.5	\$ 0.1	\$ 1.9	\$ 4.4	\$ 25.6	\$ 40.5
FY19 Transfers						
Strategic Investments	-	-	2.2	-	(2.2)	-
Capital Projects/Small Equipment	(7.6)	(0.5)	-	5.9	2.2	-
Perkins UNC Portion	0.1	(0.1)	-	-	-	-
Reserve Transfers July 1	6.2	-	-	-	(6.2)	-
Foundation Capital Gifts	(2.1)	-	-	2.1	-	-
Subtotal Transfers	(3.4)	(0.6)	2.2	8.0	(6.2)	-
FY19 Net Cash Inflows (Outflows)						
Operating Results FY19	5.2	0.6	-	-	-	5.8
Strategic Investments	-	-	(3.9)	-	-	(3.9)
Capital Cash State & Debt	-	-	-	25.7	-	25.7
Capital Projects/Small Equipment	-	-	-	(35.1)	-	(35.1)
Subtotal Inflows (Outflows)	5.2	0.6	(3.9)	(9.4)	-	(7.5)
Cash at 06/30/2019	\$ 10.3	\$ 0.1	\$ 0.2	\$ 3.0	\$ 19.4	\$ 33.0

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 September 30, 2018

	06/30/2018		FY19 Q1 Activity	09/30/2018
Mandatory				
Bonded R&R	\$ 750,000	f	\$(750,000.00)	\$ -
Capital				
Student Fees	4,557,644	a,c,g	4,031,142	8,588,786
Other Capital Reserves	5,637,721	a,d,g	(2,231,266)	3,406,455
Other				
Risk Management and Insurance	2,650,000		-	2,650,000
University Reserve	11,978,596	b,e,f	(7,522,528)	4,456,068
Total Reserves	\$ 25,573,961		\$ (6,472,652)	\$ 19,101,309

Each year, UNC increase reserves by transferring a portion of student capital fee revenue, room and board revenue, parking, and rebate revenue from the operating budget to reserves to fund future capital projects. Reserves are reduced when we transfer reserves to fund approved capital projects, strategic investments, or need to increase operating cash. The following is an accounting of the transfers made so far in FY19 and the letters reference Table 3.

UNC has a practice of fully funding capital projects and strategic investments for each fiscal year at the beginning of the fiscal year.

- a. Fund \$3.4 million in FY19 capital projects and \$0.5 million in FY19 capital equipment
- b. Fund \$2.2 million in FY19 strategic investments

UNC has a practice of transferring revenue designated for capital into reserves at the beginning of the fiscal year.

- c. Transfer \$5.2 million from student capital fee and LEAF fee operating cash into capital reserves
- d. Transfer 0.5 million from parking services operating cash and rebate revenue into capital reserves

At August 15, (UNC's cash low point), sufficient cash is transferred from reserve funds to the operating funds

- e. Transfer \$6.2 million from University reserve to operating cash

The following transfers are unique to FY19:

- f. Transfer \$0.8 million from Bonded RR to University reserve, which is no longer required with the refinancing of the Series 2008 Bonds
- g. Transfer \$1.1 million from student fee capital reserve to state building capital reserve to fund capital projects in State buildings

ACCOUNTS RECEIVABLE

Table 4 and Figure 3 show that the September 30, 2018, 1st quarter balance in student accounts receivable is \$1.4 million more than the previous year. In both FY18 and FY19, the COF payment was received in October rather than September, (as is typical), resulting in a higher net student accounts receivable. In FY19, the COF payment was \$7.9 million. Net student accounts receivable includes the accounting estimate for uncollectible accounts or “bad debt.”

Table 4. Student Accounts Receivable (Net)

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Q1 - Sep 30	\$ 15,904,277	\$ 23,082,213	\$ 24,511,314
Q2 - Dec 31	\$ 4,791,141	\$ 4,989,072	\$ -
Q3 - Mar 31	\$ 8,322,159	\$ 7,807,471	\$ -
Q4 - Jun 30	\$ 6,853,821	\$ 5,752,210	\$ -

Figure 3. Student Accounts Receivable (Net)

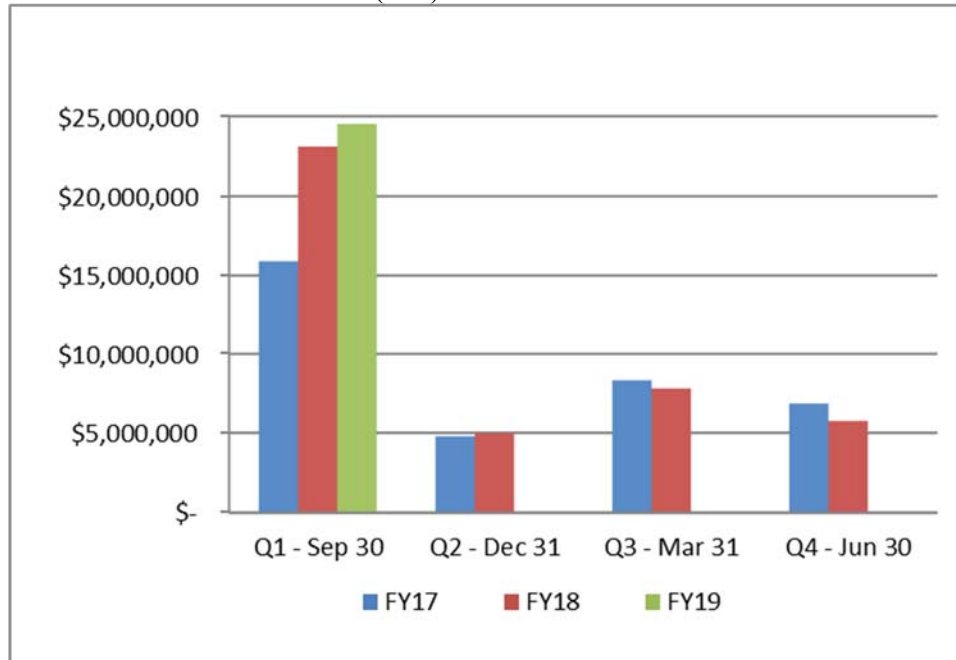


Table 5 represents accounts receivable as a percentage of tuition, fees and room and board revenue at fiscal year-end.

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

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Student Accounts Receivable	\$ 6,435,476	\$ 6,120,899	\$ 6,212,773	\$ 6,853,281	\$ 5,752,210
Net Tuition, Fees, Room and Board	\$114,489,682	\$111,033,128	\$116,043,009	\$124,393,382	\$129,903,365
A/R as a % of Net Tuition, Fees & Room and Board	5.6%	5.5%	5.4%	5.5%	4.4%

OPERATING BUDGET

For the Quarter Ended September 30, 2018¹

Notes	Original Budget	Annual Forecast	% of Total	Variance fav (unfav)	Actual at 09/30/2018	% Actual to Budget
REVENUES						
Tuition-Undergraduate Main Campus	2	\$ 79,996,337	\$ 77,400,557	38.6%	\$ (2,595,780)	\$ 38,193,082 47.7%
Tuition-Graduate Main Campus	3	17,079,161	14,692,670	7.3%	(2,386,491)	6,639,989 38.9%
Tuition-Undergraduate Extended Campus	2	5,032,826	5,472,937	2.7%	440,111	1,962,376 39.0%
Tuition-Graduate Extended Campus	3	18,225,765	17,817,208	8.9%	(408,557)	6,473,013 35.5%
Student Fees	2/3	16,276,843	16,135,963	8.1%	(140,880)	7,986,917 49.1%
Academic Fees - Main Campus	2/3	6,418,857	6,166,984	3.1%	(251,873)	2,949,630 46.0%
Academic Fees - Extended Campus	2/3	111,658	136,913	0.1%	25,255	49,800 44.6%
Room and Board	4	35,342,265	32,747,597	16.3%	(2,594,668)	17,126,747 48.5%
Subtotal Tuition, Fees and Room & Board		178,483,712	170,570,829	85.1%	(7,912,883)	81,381,554 45.6%
Scholarships (Institutional Discounting)	5	(32,939,794)	(30,286,553)	-15.1%	2,653,241	(15,168,728) 46.0%
Foundation Funded Scholarships	5	(4,350,000)	(4,575,745)	-2.3%	(225,745)	(1,696,756) 39.0%
Graduate GA/TA Waivers	5	(5,717,537)	(5,400,000)	-2.7%	317,537	(2,624,936) 45.9%
R & B Waivers	5	(1,130,000)	(1,035,300)	-0.5%	94,700	(495,160) 43.8%
Subtotal Discounting		(44,137,331)	(41,297,598)	-20.6%	2,839,733	(19,985,580) 45.3%
COF Resident	6	16,789,891	16,629,850	8.3%	(160,041)	7,889,278 47.0%
Fee For Service	6	25,689,034	25,849,075	12.9%	160,041	6,347,258 24.7%
Subtotal State Support		42,478,925	42,478,925	21.2%	-	14,236,536 33.5%
Foundation Restricted Gifts for Operations	7	3,027,042	3,223,605	1.6%	196,563	937,028 31.0%
Foundation Restricted Capital Gifts	8	2,247,518	2,117,518	1.0%	(130,000)	60,295 2.7%
Foundation Restricted Scholarships	7	4,350,000	4,575,745	2.3%	225,745	1,696,756 39.0%
Foundation Unrestricted (design. for scholarships)	7	1,550,000	1,550,000	0.8%	-	387,500 25.0%
Subtotal Foundation Support		11,174,560	11,466,868	5.7%	292,308	3,081,579 27.6%
Other Auxiliary Services	9	7,303,273	6,932,974	3.5%	(370,299)	2,688,722 36.8%
Restricted Grant Facilities/Admin Recovery	9	600,000	600,000	0.3%	-	144,562 24.1%
Other Revenue	9	7,713,686	7,961,711	4.0%	248,025	2,338,455 30.3%
Net Non-Operating Revenues	9	1,531,250	1,736,868	0.8%	205,618	322,048 21.0%
Subtotal Other Revenue		17,148,209	17,231,553	8.6%	83,344	5,493,787 32.0%
NET REVENUES		\$205,148,075	\$ 200,450,577	100.0%	\$ (4,697,498)	\$ 84,207,876 41.0%
EXPENDITURES AND DEBT PAYMENTS						
Faculty Salaries	10	\$ 46,589,312	\$ 47,336,400	24.2%	\$ (747,088)	\$ 10,126,985 21.7%
Exempt Salaries	10	30,988,725	30,800,000	15.8%	188,725	7,628,386 24.6%
Classified Salaries	10	19,406,629	19,000,000	9.7%	406,629	4,699,313 24.2%
Graduate Stipends	10	5,678,771	5,100,000	2.6%	578,771	1,215,391 21.4%
Student and Other Wages	10	6,367,157	6,364,000	3.3%	3,157	1,335,784 21.0%
Fringe Benefits	10	31,534,858	31,584,200	16.2%	(49,342)	7,837,786 24.9%
Subtotal Personnel Expenses		140,565,452	140,184,600	71.8%	380,852	32,843,645 23.4%
Cost of Sales	11	4,927,214	4,519,736	2.3%	407,478	1,142,739 23.2%
Other Current Expenses	11	12,605,039	12,506,334	6.4%	98,705	5,323,051 42.2%
Purchased Services	11	10,389,234	10,193,224	5.2%	196,010	2,424,364 23.3%
Supplies	11	6,367,290	6,190,482	3.2%	176,808	1,332,293 20.9%
Cost Allocation and Recoveries	11	(898,173)	(1,157,240)	-0.6%	259,067	(262,987) 29.3%
Utilities	11	5,562,313	5,181,756	2.7%	380,557	1,386,934 24.9%
Travel	11	4,225,166	4,027,499	2.1%	197,667	562,718 13.3%
Capital	11	2,607,842	2,467,842	1.3%	140,000	174,871 6.7%
Subtotal Non-personnel Expenses		45,785,925	43,929,633	22.6%	1,856,292	12,083,983 26.4%
Debt Service on Bonds	12	10,810,242	10,272,605	5.2%	537,637	2,291,775 21.2%
Capital Lease Payment	12	803,668	803,668	0.4%	-	179,417 22.3%
Subtotal Debt Payments		11,613,910	11,076,273	5.6%	537,637	2,471,192 21.3%
TOTAL EXPENDITURES AND DEBT PAYMENTS		\$197,965,287	\$ 195,190,506	100.0%	\$ 2,774,781	\$ 47,398,820 23.9%
OPERATING RESULTS		\$ 7,182,788	\$ 5,260,071		\$ (1,922,717)	\$ 36,809,056
Transfer to Capital Budget - Foundation	8	2,247,518	2,117,518		130,000	60,295
Transfers to Capital Budget	13	7,667,513	7,667,513		-	5,727,513
OPERATING RESULTS LESS TRANSFERS		\$ (2,732,243)	\$ (4,524,960)		\$ (1,792,717)	

See Explanation of Notes on page 7.

Recap of FY18 Forecasted Cash Outflow	
Operating Results (above)	\$ 5,260,071
Strategic Investments (page 9)	(3,934,852)
Capital (page 10)	(8,978,336)
Other (page 3)	127,750
Total (Table 2, page 3)	\$ (7,525,367)

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 \$0.7 million under budget for FY19.
3	Net graduate tuition and fees revenue are 15% of the net operating revenue and are forecasted to be \$1.6 million under budget for FY19.
4	Net room and board revenues represent 16% of the net operating revenue and are forecasted to be \$2.5 million under budget for FY19.
5	Discounting includes scholarship expense, graduate tuition waivers and room and board waivers. Total discounting is forecasted to be \$2.8 million less than budget.
6	State support is 21% 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 \$11.5 million, or 6% of net operating revenue.
8	The forecast for FY19 includes \$2.1 million in gifts to be utilized primarily 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.
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 \$0.1 million more than budget.
10	Personnel expenditures are 72% of total expenditures. Personnel expenditures are \$0.4 million under budget.
11	Non-personnel expenditures are 23% of total expenditures. The University is working to contain costs this year and we currently forecast being \$1.9 million under budget.
12	Debt service and capital leases are 6% of total expenditures. The University will have \$0.5 million in cash flow savings from the refinancing of the 2008 and 2011B bond issues to the 2018A and 2018B issues.
13	Transfers to capital budget include \$0.1 million from the facilities management capital budget, \$5.3 million from student capital fee revenue and \$2.3 million of housing, dining and parking revenue.

RESIDENT AND NON-RESIDENT TUITION DETAIL

Level	Budget					Forecast					Variance at 09/30/2018
Undergrad	Fall	Interim	Spring	Summer	Total	Fall	Interim	Spring	Summer	Total	Total
Resident	\$ 28,317,963	\$ 424,621	\$ 25,240,597	\$ 3,285,982	\$ 57,269,163	\$ 27,596,648	\$ 392,729	\$ 24,428,674	\$ 3,517,241	\$ 55,935,292	\$ (1,333,871)
Non-Resident	5,970,331	57,540	5,209,211	889,371	12,126,453	5,653,393	74,436	5,123,270	965,890	11,816,989	(309,464)
WUE	5,207,771	62,643	4,697,684	632,623	10,600,721	4,840,931	61,490	4,195,466	550,389	9,648,276	(952,445)
Subtotal	39,496,065	544,804	35,147,492	4,807,976	79,996,337	38,090,972	528,655	33,747,410	5,033,520	77,400,557	(2,595,780)
Extended Campus	1,860,657	134,857	1,445,733	1,591,579	5,032,826	1,970,460	151,400	1,598,094	1,752,983	5,472,937	440,111
FY18 Total Tuition	\$ 41,356,722	\$ 679,661	\$ 36,593,225	\$ 6,399,555	\$ 85,029,163	\$ 40,061,432	\$ 680,055	\$ 35,345,504	\$ 6,786,503	\$ 82,873,494	\$ (2,155,669)
Fees					20,781,094					19,580,169	(1,200,925)
Subtotal: Tuition & Fees					\$ 105,810,257					\$ 102,453,663	\$ (3,356,594)
Institutional Scholarships					(32,342,794)					(29,717,370)	2,625,424
Discounted Revenue					\$ 73,467,463					\$ 72,736,293	\$ (731,170)
Discounting Percentage					30.6%					29.0%	

Graduate	Fall	Interim	Spring	Summer	Total	Fall	Interim	Spring	Summer	Total	Total
Resident	\$ 4,668,174	\$ -	\$ 4,437,507	\$ 1,883,874	\$ 10,989,555	\$ 3,889,604	\$ -	\$ 3,693,438	\$ 1,339,250	\$ 8,922,292	\$ (2,067,263)
Non-Resident	2,797,803	-	2,428,379	547,960	5,774,142	2,563,924	-	2,426,362	468,555	5,458,841	(315,301)
CSPH	147,904	-	127,700	39,860	315,464	147,904	-	127,700	35,933	311,537	(3,927)
Subtotal	7,613,881	-	6,993,586	2,471,694	17,079,161	6,601,432	-	6,247,500	1,843,738	14,692,670	(2,386,491)
Extended Campus	6,483,444	-	6,189,972	5,552,349	18,225,765	6,490,695	-	6,064,387	5,262,126	17,817,208	(408,557)
FY18 Total	\$ 14,097,325	\$ -	\$ 13,183,558	\$ 8,024,043	\$ 35,304,926	\$ 13,092,127	\$ -	\$ 12,311,887	\$ 7,105,864	\$ 32,509,878	\$ (2,795,048)
Fees					2,026,264					2,859,691	833,427
Subtotal: Tuition & Fees					\$ 37,331,190					\$ 35,369,569	\$ (1,961,621)
Institutional Scholarships					(6,314,537)					(5,969,183)	345,354
Discounted Revenue					\$ 31,016,653					\$ 29,400,386	\$ (1,616,267)
Discounting Percentage					16.9%					16.9%	

Total	Fall	Interim	Spring	Summer	Total	Fall	Interim	Spring	Summer	Total	Total
Resident	\$ 32,986,137	\$ 424,621	\$ 29,678,104	\$ 5,169,856	\$ 68,258,718	\$ 31,486,252	\$ 392,729	\$ 28,122,112	\$ 4,856,491	\$ 64,857,584	\$ (3,401,134)
Non-Resident	8,768,134	57,540	7,637,590	1,437,331	17,900,595	8,217,317	74,436	7,549,632	1,434,445	17,275,830	(624,765)
WUE	5,207,771	62,643	4,697,684	632,623	10,600,721	4,840,931	61,490	4,195,466	550,389	9,648,276	(952,445)
CSPH	147,904	-	127,700	39,860	315,464	147,904	-	127,700	35,933	311,537	(3,927)
Subtotal	47,109,946	544,804	42,141,078	7,279,670	97,075,498	44,692,404	528,655	39,994,910	6,877,258	92,093,227	(4,982,271)
Extended Campus	8,344,101	134,857	7,635,705	7,143,928	23,258,591	8,461,155	151,400	7,662,481	7,015,109	23,290,145	31,554
FY18 Total	\$ 55,454,047	\$ 679,661	\$ 49,776,783	\$ 14,423,598	\$ 120,334,089	\$ 53,153,559	\$ 680,055	\$ 47,657,391	\$ 13,892,367	\$ 115,383,372	\$ (4,950,717)
Fees					22,807,358					22,439,860	(367,498)
Subtotal: Tuition & Fees					\$ 143,141,447					\$ 137,823,232	\$ (5,318,215)
Institutional Scholarships					(38,657,331)					(35,686,553)	2,970,778
Discounted Revenue					\$ 104,484,116					\$ 102,136,679	\$ (2,347,437)

STRATEGIC INVESTMENTS BUDGET

For the Quarter Ended September 30, 2018

Strategic Investment Cash

Unexpended balances committed to FY19	\$ 1,355,999
Cash Transferred from University Reserve	2,234,403
Cash from NCAA Endowment Distribution	515,425
Total Cash in Strategic Investments at July 1, 2018	<u>\$ 4,105,827</u>
Accounts Payable from FY18 paid in FY19	-
Accounts Payable in FY19	2,570
Year to date FY19 expenditures	(671,331)
Cash in Strategic Investments at September 30, 2018	<u>\$ 3,437,066</u>

Multiyear Commitments	Total FY19 Budget	Annual Forecast	Variance fav (unfav)	Actual Expenditures at 09/30/2018
Enrollment and Pricing	\$ 75,000	\$ 350,000	\$ (275,000)	\$ -
Equity and Diversity	62,276	62,276	-	23,316
Integrated Student Support Plans				
Student Success Collaborative	210,000	210,000	-	121,875
Student Food Insecurity Project	40,000	40,000	-	11,385
LEAP	63,382	63,382	-	-
Subtotal Integrated Student Support Plans	<u>\$ 313,382</u>	<u>\$ 313,382</u>	<u>\$ -</u>	<u>\$ 133,260</u>
Academic Portfolio				
Accreditation	150,000	147,260	2,740	46,492
Program Review & Assessment	50,000	50,000	-	4,672
Subtotal Academic Portfolio	<u>\$ 200,000</u>	<u>\$ 197,260</u>	<u>\$ 2,740</u>	<u>\$ 51,164</u>
Research Scholarship and Creative Works				
Grant Match Funds	375,000	498,397	(123,397)	111,304
Faculty Start-Up Packages	400,000	375,000	25,000	47,712
Faculty Awards & Development	262,804	376,700	(113,896)	66,528
UNC Cancer Rehabilitation Institute	32,136	32,136	-	223
Center for Inclusion in STEM	-	45,027	(45,027)	300
RSCW Faculty Reassign Program	120,000	120,000	-	630
Unrestricted Research Incentive	483,674	483,674	-	119,783
Subtotal Research Scholarship and Creative Works	<u>\$ 1,673,614</u>	<u>\$ 1,930,934</u>	<u>\$ (257,320)</u>	<u>\$ 346,479</u>
Total Core Plan Investments	<u>\$ 2,324,272</u>	<u>\$ 2,853,852</u>	<u>\$ (529,580)</u>	<u>\$ 554,218</u>
Support Plan Investments				
Information Management Plan	300,000	300,000	-	750
Total Support Plan Investments	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 750</u>
Other Strategic Investments				
Emergency Management	2,000	2,000	-	10,553
Emerging University Priorities	125,000	125,000	-	-
Athletics NCAA Distribution	100,000	179,000	(79,000)	15,412
Campus Commons	25,000	25,000	-	-
Innovation - Online Course Development	450,000	450,000	-	90,398
Total Other Strategic Investments	<u>\$ 702,000</u>	<u>\$ 781,000</u>	<u>\$ (79,000)</u>	<u>\$ 116,363</u>
Grand Total	<u>\$ 3,326,272</u>	<u>\$ 3,934,852</u>	<u>\$ (608,580)</u>	<u>\$ 671,331</u>

CAPITAL PROJECTS

Major Capital Project Expenditures by Funding Source For the Quarter Ended September 30, 2018

	Board Approved Budget June, 2018	Committed Projects at 09/30/2018	Expended FY19	Remaining To be Expended FY19	To be Expended FY20
A. Fiscal Year 2018-19 New Projects					
	(1)	(2)			
General Fund					
FY19 projects with budgets less than \$200,000	\$ 1,253,014	\$ 1,270,014	\$ 147,248	\$ 871,869	\$ 250,897
Arts Annex silica dust capture system (Phase II)	250,000	195,000	178,503	16,497	-
Cogen renovation (Phase II)	500,000	500,000	47,522	302,478	150,000
Heating Plant underground storage tank replacement	450,000	448,099	10,394	437,705	-
Fire sprinkler completion funds	500,000	500,000	-	300,000	200,000
Subtotal General Funded Projects	2,953,014	2,913,113	383,667	1,928,549	600,897
Housing, Dining, Extended Studies, Student Fees					
FY19 projects with budgets less than \$200,000	423,000	421,667	99,059	322,608	-
Subtotal Auxiliary and Other Funded Projects	423,000	421,667	99,059	322,608	-
Restricted Capital Gifts and Grants					
Connect rooms 1533/1630 for Biology research space	52,026	52,026	-	52,026	-
Add electrical for Physics/Astronomy laser	8,269	8,269	5,874	2,395	-
Convert Athletics standard streaming video to HD	130,000	-	-	-	-
Parsons rooftop solar project	-	550,000	-	550,000	-
Subtotal Restricted Capital Gifts and Grants	190,295	610,295	5,874	604,421	-
State Capital Appropriations					
Fire sprinkler upgrade-Gunter (Phase II) (COP)	863,187	863,187	-	-	863,187
Subtotal State Capital Appropriations	863,187	863,187	-	-	863,187
Equipment	484,623	594,979	197,523	347,456	50,000
Total Fiscal Year 2018-19 New Projects	\$ 4,914,119	\$ 5,403,241	\$ 686,123	\$ 3,203,034	\$ 1,514,084
B. Fiscal Year 2017-18 Projects in Progress					
General Fund					
FY18 projects with budgets less than \$200,000	\$ 455,000	\$ 388,425	\$ 172,147	\$ 202,228	\$ 14,050
Arts Annex silica dust capture system (Phase I)	-	27,164	27,164	-	-
Cogen renovation (Phase I)	102,000	59,731	59,731	-	-
Subtotal General Funded Projects	557,000	475,320	259,042	202,228	14,050
Housing, Dining, Extended Studies, Student Fees					
FY18 projects with budgets less than \$200,000	170,455	304,922	5,918	299,004	-
Residence halls carpet and paint (\$4.7M total)	335,400	335,349	-	335,349	-
Parking Lot "L" reconstruction Phase I & II	526,000	764,781	125,624	639,157	-
Arlington wireless upgrades	84,000	78,220	5,127	73,093	-
Subtotal Auxiliary and Other Funded Projects	1,115,855	1,483,272	136,669	1,346,603	-
Debt Funded Capital Projects					
Energy performance contract	178,000	131,984	-	131,984	-
Subtotal Restricted Capital Grants/Gifts	178,000	131,984	-	131,984	-
State Capital Appropriations					
Fire sprinkler upgrade-McKee	491,131	309,812	252,128	57,684	-
Fire sprinklers Phase III of III	450,923	748,570	72,150	676,420	-
Wireless & network upgrade	-	14,733	-	14,733	-
Butler Hancock pool AHU replacement (COP)	937,268	937,268	-	468,634	468,634
Frasier tunnel piping replacement & abatement (COP)	339,146	339,146	-	169,573	169,573
Fire sprinkler upgrade-Frasier (Phase I)	1,611,931	1,611,931	20,142	79,858	1,511,931
Subtotal State Capital Appropriations	3,830,399	3,961,460	344,420	1,466,902	2,150,138
Campus Commons (multi-year)					
State Capital Appropriation and Debt Funding	19,661,866	23,879,879	5,750,217	18,129,662	-
Capital Gifts from Foundation and Bridge Funding	3,388,678	3,388,678	-	3,388,678	-
Subtotal Campus Commons (multi-year)	23,050,544	27,268,557	5,750,217	21,518,340	-
Equipment	80,000	123,975	78,366	45,609	-
Total Fiscal Year 2016-17 Projects in Progress	\$ 28,811,798	\$ 33,444,568	\$ 6,568,714	\$ 24,711,666	\$ 2,164,188
Total Capital Projects	\$ 33,725,917	\$ 38,847,809	\$ 7,254,837	\$ 27,914,700	\$ 3,678,272

(1) Board Approved Budget includes (A) new FY19 project commitments and (B) estimated remaining expenditures on FY18 projects.

(2) Committed projects at 9/30/2018 includes (A) new FY19 projects commitments +/- project changes and (B) actual remaining commitments to complete FY18 projects at 9/30/2018.

(3) The Parsons rooftop solar project is being funded via a \$500K State Grant, \$20K from LEAF & \$30K from the Rebate Capital Reserve.

RESTRICTED GRANTS AND CONTRACTS

For the Quarter Ended September 30, 2018

	Original Budget	Actual at 09/30/2018
REVENUE		
Federal Grants	\$ 4,400,000	\$ 1,387,249
State and Local Grants	1,097,000	233,269
Other Private Grants	197,000	142,422
UNC Foundation Grants	1,201,000	156,392
TOTAL REVENUE	\$ 6,895,000	\$ 1,919,332
EXPENSES/TRANSFERS		
Personnel Expenses		
Faculty Salaries	\$ 1,108,000	\$ 326,148
Administrative Exempt Salaries	1,277,000	279,882
Graduate Teaching Assistants	159,000	51,634
GA/TA/GRA Tuition Scholarships	96,000	25,472
Classified Salaries	6,000	1,123
Student Wages	167,000	51,410
Other Wages/Compensations	134,000	23,734
Fringe Benefits	738,000	190,403
Subtotal Personnel Expenses	\$ 3,685,000	\$ 949,804
Non-Personnel Expenses		
Other Current Expenses	\$ 215,000	\$ 41,689
Purchased Services	675,000	174,971
Supplies	158,000	42,836
Cost Allocation & Utilities	-	6,810
Grant Facility and Administrative Recovery	534,000	131,758
Scholarships	1,401,000	513,026
Travel	220,000	58,491
Capital	7,000	-
Subtotal Non-Personnel Expenses	\$ 3,210,000	\$ 969,581
NonMandatory Transfer Out - Projects	-	500,000
Subtotal Transfer	\$ -	\$ 500,000
TOTAL EXPENSES/TRANSFERS	\$ 6,895,000	\$ 2,419,385
REVENUE LESS EXPENSES/TRANSFERS	\$ -	\$ (500,053)

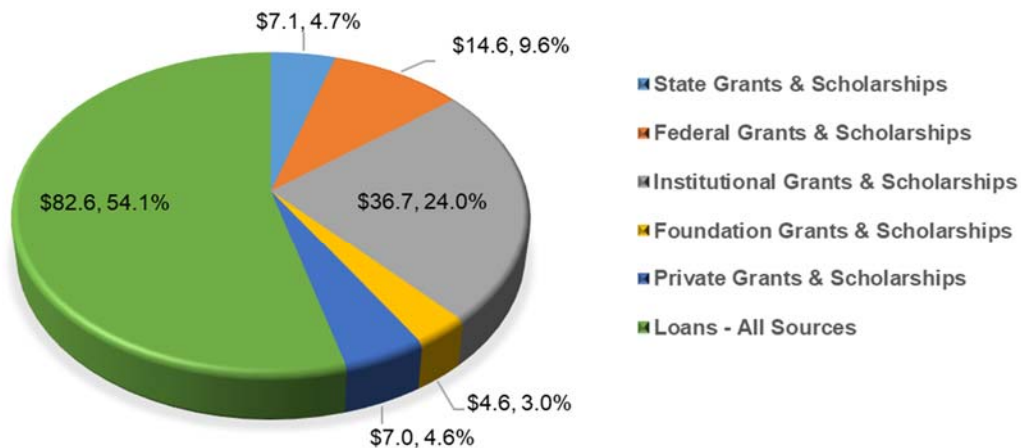
FINANCIAL AID

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 FY19 budget (aid expected to be paid when the budget was developed) and the FY19 forecast (aid expected to be paid in FY19). 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	FY19 Budget	FY19 Forecast
Grants & Scholarships		
State	\$ 7,145,259	\$ 7,145,259
Federal	14,958,911	14,598,911
UG Institutional ^(a)	32,342,794	29,717,370
UG Room & Board Waivers ^(a)	1,130,000	1,035,300
GR Institutional ^(a)	6,314,537	5,969,183
UNC Foundation (UG & GR) ^(b)	4,350,000	4,575,745
Private	6,910,897	6,954,072
Subtotal Grants & Scholarships	\$ 73,152,398	\$ 69,995,840
Loans-All Sources	85,989,400	82,587,468
Total Financial Aid	\$ 159,141,798	\$ 152,583,308
<i>(a) Total Institutional Aid</i>	\$ 39,787,331	\$ 36,721,853
<i>(b) UNC Foundation</i>	4,350,000	4,575,745
<i>Total Discounting on Operating Budget</i>	\$ 44,137,331	\$ 41,297,598

Figure 4. FY18 Financial Aid Forecast at 09/30/2018 (\$152.6 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

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Forecast
Undergraduate Tuition & Fees (Main & Extended)	\$ 86,409,555	\$ 95,389,717	\$ 101,150,529	\$ 105,810,257	\$ 102,453,663
Institutional Grants and Scholarships	(18,551,234)	(23,449,422)	(30,294,507)	(32,342,794)	(29,717,370)
Discounted Revenue	\$ 67,858,321	\$ 71,940,295	\$ 70,856,022	\$ 73,467,463	\$ 72,736,293
Discount Percent	21.5%	24.6%	29.9%	30.6%	29.0%
Net Tuition Revenue Per FTE	\$ 8,007	\$ 8,313	\$ 8,168	N/A	\$ 8,608

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

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Forecast
Graduate Tuition & Fees (Main & Extended)	\$ 28,197,639	\$ 32,236,827	\$ 34,376,812	\$ 37,331,190	\$ 35,369,569
Institutional Scholarships and Waivers	(4,661,415)	(5,448,197)	(5,856,525)	(6,314,537)	(5,969,183)
Discounted Revenue	\$ 23,536,224	\$ 26,788,630	\$ 28,520,287	\$ 31,016,653	\$ 29,400,386
Discount Percent	16.5%	16.9%	17.0%	16.9%	16.9%
Net Tuition Revenue Per FTE	\$ 12,374	\$ 12,873	\$ 12,581	N/A	N/A

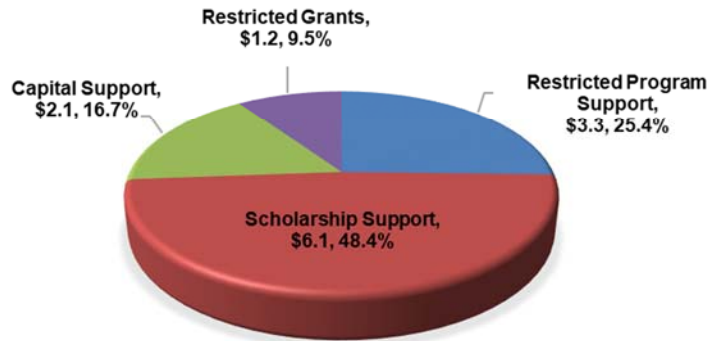
Table 9 shows the room and board discount rate.

Table 9. Room and Board Discounting

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Forecast
Undergraduate Room & Board Revenue	\$ 31,851,176	\$ 33,324,849	\$ 34,160,857	\$ 35,342,265	\$ 32,747,597
Room & Board Waivers & Scholarships	(1,104,576)	(1,115,924)	(1,147,811)	(1,130,000)	(1,035,300)
Discounted Revenue	\$ 30,746,600	\$ 32,208,925	\$ 33,013,046	\$ 34,212,265	\$ 31,712,297
Discount Percent	3.5%	3.3%	3.4%	3.2%	3.2%

FOUNDATION SUPPORT EXPENDED*

\$12.7 Million



	FY19 Budget	FY19 Forecast	Variance
Restricted Program Support			
Athletics	\$ 482,125	\$ 482,125	\$ -
Provost	5,200	5,000	(200)
Library	359,860	300,000	(59,860)
EBS	308,040	308,040	-
HSS	161,944	240,000	78,056
MCB	751,394	751,394	-
NHS	156,069	200,000	43,931
PVA	165,364	300,000	134,636
Stryker Institute	275,876	275,876	-
Tointon Institute	228,425	228,425	-
Other	132,745	132,745	-
Total Restricted Program Support	\$ 3,027,042	\$ 3,223,605	\$ 196,563
Scholarships			
Institutional Scholarship Support	\$ 1,550,000	\$ 1,550,000	\$ -
Restricted Scholarships			
Named and Endowed Scholarships	3,575,000	3,800,745	225,745
Athletics Scholarships	500,000	500,000	-
Greeley Promise & Other Scholarships	275,000	275,000	-
Total Scholarship Support	\$ 5,900,000	\$ 6,125,745	\$ 225,745
Capital Support			
Campus Commons	\$ 2,037,223	\$ 2,037,223	\$ -
NHS	\$ 60,295	\$ 60,295	
Athletics	130,000	-	(130,000)
PVA Gray Hall	20,000	20,000	-
Total Capital Support	\$ 2,247,518	\$ 2,117,518	\$ (130,000)
Grants			
Daniels Fund	\$ 149,000	\$ 149,000	\$ -
Frontiers of Science	155,000	155,000	-
Healthy Schools Professional Developme	630,000	630,000	-
Grants under \$100,000	267,000	267,000	-
Total Grants Support	\$ 1,201,000	\$ 1,201,000	\$ -
Total Foundation Support	\$ 12,375,560	\$ 12,667,868	\$ 292,308

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