

FY23 Fiscal Outlook & FY24 Fiscal Planning Update



UNC

September 23, 2022

FY22 Actual Results

FY22 Q3 Forecast Operating Cash Flow (\$ in millions)		\$ 22.7
Net Student Revenue	(0.5)	
Other Revenue	0.8	
Subtotal Revenue		0.3
Personnel Expenses	0.5	
Non-personnel Expenses	(1.4)	
Subtotal Expenses		(0.9)
Unrealized Loss on Investments	(3.2)	
Fee-For-Service Reconciliation	(2.4)	
Other Misc Balance Sheet Changes	0.7	
Subtotal Balance Sheet Timing Changes		(4.9)
FY22 Actual Operating Cash Flow		\$ 17.2
Operating Cash Flow Variance		(5.5)

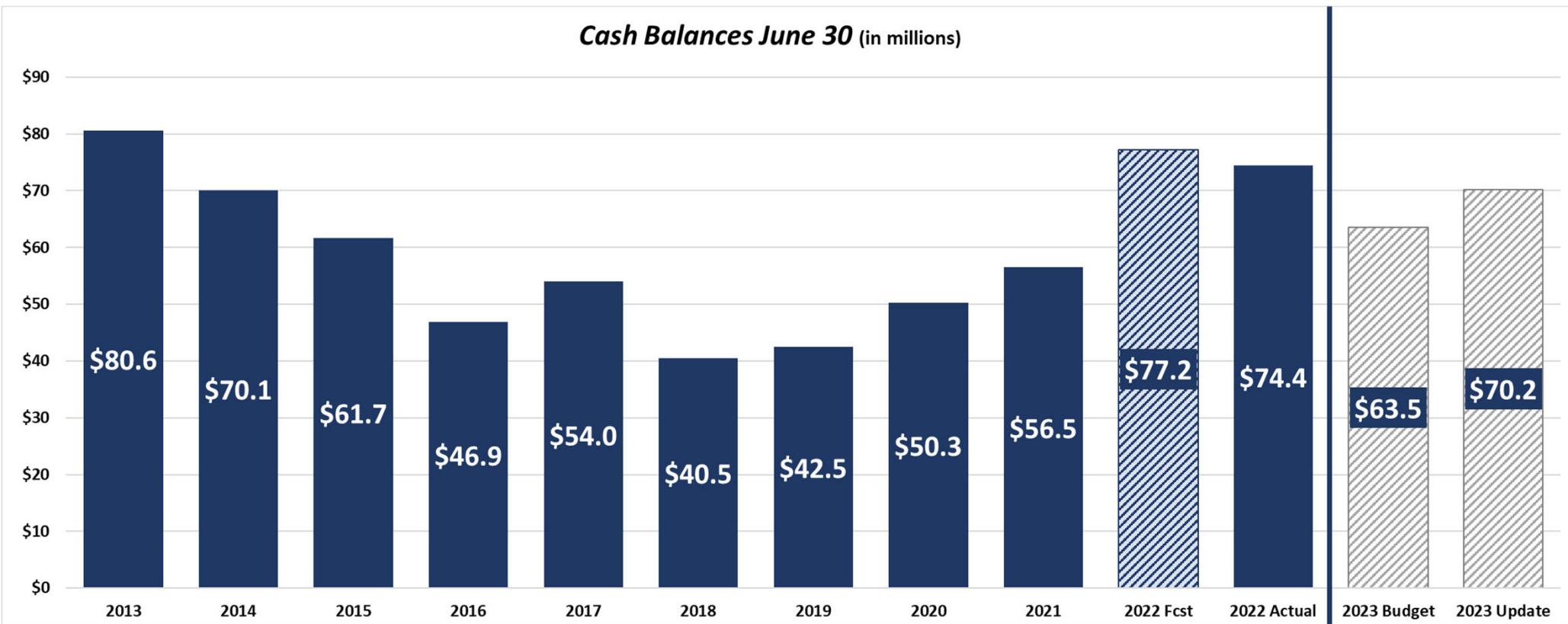
FY22 Q3 Forecast Year-End Cash Balance (\$ in millions)		\$ 77.1
Operating Cash Flow Variance		(5.5)
Changes in Working Capital Balances	2.0	
Capital Projects Adjustments	0.8	
		(2.7)
FY22 Actual Year-End Cash Balance		\$ 74.4

FY23 Fiscal Outlook

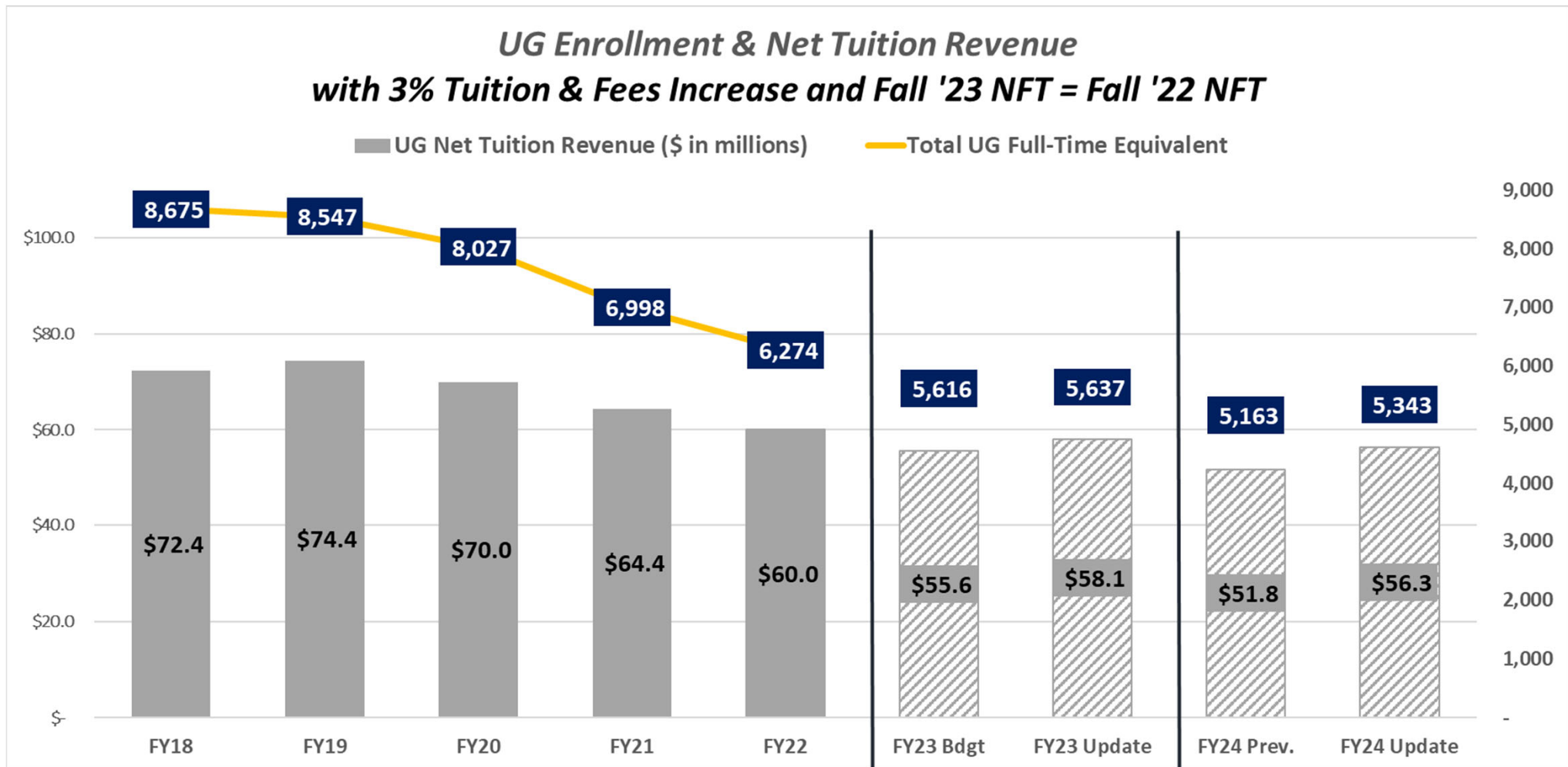
FY23 Operating Budget (\$ in millions)		\$ (8.9)
UG Net Tuition Revenue	2.5	
GR Net Tuition Revenue	(1.8)	
Room & Board Revenue	0.5	
Other Revenue	0.3	
Subtotal Revenue		1.5
Personnel Expenses	2.4	
Non-personnel Expenses	1.0	
Multi-year Projects	0.4	
Capital Transfers	(1.2)	
Subtotal Expenses		2.6
Updated FY23 Operating Budget Projection		\$ (4.8)
Unrealized Gain on Investments	3.0	
Fee-For-Service Reconciliation	2.0	
Other Misc Balance Sheet Changes	(1.6)	
Subtotal Balance Sheet Timing Changes		3.4
FY23 Operating Cash Flow Projection		\$ (1.4)

FY22 Year-End Cash Balance (\$ in millions)		\$ 74.4
Operating Cash Flow Projection	(1.4)	
Changes in Working Capital Projection	(1.0)	
Capital Projects Adjustments Projection	(1.8)	
		(4.2)
FY23 Projected Year-End Cash Balance		\$ 70.2

FY23 Fiscal Outlook



FY24 Fiscal Planning



FY24 Fiscal Planning

Basic Assumptions & Parameters

- NFT Enrollment: 1,193 (same as Fall '22)
- NFT Retention rate: 72% (typical historical)
- UG Tuition Rates: +3%
- GR Tuition Rates: +2%
- Fees: +3%
- Room & Board Rates: +3%
- State Funding: +5%
- Oil & Gas Royalties: \$1.2 million
- Compensation: +3%
- Non-Personnel Expenses: +2%

FY24 Fiscal Planning

FY24 Budget Balancing Work:

- ~\$7 million in additional revenue increases and/or expense reductions required
- More may be necessary to provide funding for critical resource needs:
 - Strategic initiatives
 - Multi-year compensation plan
 - Inflationary and other cost increases (e.g. health benefits)
- Current position vacancies can be a primary source
- Exploring potential for reductions in non-personnel via business process review
- Analyzing improvements in other budget parameters and assumptions

FY24 Fiscal Planning

Basic Assumptions & Parameters

- NFT Enrollment: same as Fall '22 = 1,193 (+50 New Students + ~\$500,000)
- NFT Retention rate: 72% (typical historical) (Maintaining Fall '22 @ 75% + ~\$350,000)
- UG Tuition Rates: +3% (Each 1% increase + ~\$600,000)
- GR Tuition Rates: +2% (Each 1% increase + ~\$300,000)
- Fees: +3% (Each 1% increase + ~\$150,000)
- Room & Board Rates: +3% (5%, 7% in FY23: Each 1% increase + ~\$250,000)
- State Funding: +5% (10.2% in FY23: Each 1% increase + ~\$500,000)
- Oil & Gas Royalties: \$1.2 million
- Compensation: +3% (More may be necessary for retention/recruitment)
- Non-Personnel Expenses: +2% (2022 inflation increases in some categories +10%)

Thank you!

