

**North Carolina
Agricultural and Technical State University**



Comptroller's Office Update

Comptroller's Report

Statement of Revenues, Expenses, and Changes in Net Assets

- The following provides the unaudited condensed statement of revenues, expenses, and change in net assets and the unaudited condensed statement of net assets for fiscal years ended June 30, 2008 and 2009.

Revenues are reported by major source and expenses are reported by natural classification. Note that our state budget appropriations and grants received for scholarships and fellowships are considered nonoperating revenues.



Comptroller's Report

Statement of Revenues, Expenses, and Changes in Net Assets (cont.)

- Revenue Variances:
 - Tuition and Fee revenues were lower than in 2008 as a result of reduced enrollment
 - State appropriations cuts and mandated reversions account for a 13% decrease
 - Capital appropriations significantly decreased as bond projects near completion
- Expense Variances:
 - Salaries and benefits increase: 3% legislative pay increase and vacant positions funding
 - Other non-operating revenues (endowment investments) reported losses for 2008-09
- Restatement of Depreciated Assets: The value of fully depreciated assets still in use at June 2008 was adjusted upward by \$11.5 million for that year.



Comptroller's Report

Financial Information (at June 30, 2009 - Unaudited)

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

(denoted in thousands)	<u>2009</u>	<u>Restated 2008</u>	<u>Increase (Decrease)</u>
Operating Revenues			
Student tuition and fees, net	\$ 43,869	46,966	(3,097)
Grants and contracts	23,009	20,314	2,696
Federal appropriations	6,347	5,648	699
Sales and services	22,014	22,963	(949)
Other operating revenues	1,290	1,853	(563)
Total Operating Revenues	96,529	97,743	(1,213)
Operating Expenses			
Salaries and benefits	148,924	137,429	11,495
Supplies and Materials	15,727	22,635	(6,908)
Services	36,098	39,354	(3,256)
Scholarships and fellowships	13,837	11,027	2,811
Utilities	5,277	5,682	(405)
Depreciation	9,212	10,079	(866)
Total Operating Expenses	229,076	226,205	2,871
Operating Loss	(132,547)	(128,462)	(4,085)
Nonoperating Revenues (Expenses)			
State appropriations	85,995	99,373	(13,378)
State aid	3,322		3,322
Noncapital grants and gifts	29,542	26,860	2,682
Other nonoperating expenses	(1,820)	(1,163)	(657)
Other nonoperating revenues	(1,084)	1,930	(3,014)
Net Nonoperating Revenues (Expenses)	115,955	127,000	(11,046)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(16,592)	(1,462)	(15,130)
Other Revenues (Expenses)			
Capital appropriations and grants	491	13,879	(13,387)
Additions to permanent endowments	4,206	2,304	1,902
Total Other Revenues (Expenses)	4,697	16,183	(11,485)
Total Increase (Decrease) in Net Asset	(11,895)	14,720	(26,615)
Net Assets - Beginning of the year	375,109	348,882	26,227
Restatement		11,506	(11,506)
Net Assets - End of the year	\$363,214	375,109	(11,895)

Comptroller's Report

Statement of Net Assets

- The Statement of Net Assets presents the financial position of the University as of June 30, 2009, defined by the balances of assets, liabilities and net assets.

Assets are classified as current or noncurrent and cash is further identified as unrestricted or restricted. Net assets are grouped into three categories: investment in capital assets net of related debt, restricted net assets, and unrestricted net assets.

Restricted net assets are further classified as unexpendable or expendable. Endowments and loan funds comprise the unexpendable net assets and expendable net assets are made up primarily of contracts, grants, and restricted gifts.



Comptroller's Report

Statement of Net Assets (cont.)

- Significant Changes in Assets:
 - Current Assets decreased as a result of severe cutbacks in state appropriations that reduced our cash holdings at year-end
 - The increase in capital assets was primarily due to renovation and construction in progress (laboratories, biology building, school of education)
 - The decrease in noncurrent assets is attributable to reduced receivables for state bond projects funding as projects neared completion, and to noncurrent restricted cash used to fund other construction and maintenance projects



Comptroller's Report

Financial Information (at June 30, 2009 - Unaudited)

Condensed Statement of Net Assets

(denoted in thousands)	<u>2009</u>	<u>Restated 2008</u>	<u>Increase (Decrease)</u>
Assets			
Current assets	\$ 61,324	64,356	(3,032)
Noncurrent capital assets, net of accumulated depreciation	308,576	295,505	13,071
Other noncurrent assets	31,736	53,393	(21,656)
Total Assets	401,636	413,253	(11,617)
Liabilities			
Current liabilities	15,061	14,224	836
Noncurrent liabilities	23,362	23,920	(558)
Total Liabilities	38,422	38,144	278
Total Net Assets	\$ 363,214	375,109	(11,895)

Comptroller's Report

Audits and Reviews

- The State Auditors are in the process of concluding their onsite audit work of our 2008-09 fiscal year financial records and internal control systems. No reportable deficiencies have been brought to our attention to date.
- As previously reported the auditors conducted a fiscal controls audit of endowed scholarships awarded during the 2008-09 fiscal year and had one finding that has now been corrected.
- The State Information System Auditors have concluded their onsite audit work of the University's general systems controls. The primary objective of this type audit is to evaluate system security, disaster recovery, program maintenance, and systems software. No report had been issued at the time of this writing.



Comptroller's Report

Banner Payroll/Human Resources Project

- The University successfully migrated to Banner 8.0 in October, and is scheduled to migrate again to 8.2 on December 18. Banner version 8.2 is the required standard for the UNC payroll project.
- To facilitate an awareness and understanding of the implementation campus-wide, we are now beginning to engage the campus with announcements and updates regarding the project. Key members of the project team, including Vice Chancellors Pompey and McAbee, Team Leader Mike Jackson, and Payroll Director Margaret Stancil spoke to the Provost's Administrative Council in early November.
- Currently the A&T's Payroll Implementation Team is reviewing its validation information and data quality, and is testing various payroll scenarios in the Banner ERP system.



Comptroller's Report

Identity Theft Prevention/Red Flags Rules Program

- The NC A&T Identity Theft Prevention Program, while intended to comply with and exceed standards required by the Federal Trade Commission's "Red Flags Rules" legislation, is a broad-based campus program to detect, prevent, and mitigate red flags that might indicate attempted identity theft. The NC A&T program is also intended to assure compliance with payment card industry (PCI) standards. A committee appointed by the Chancellor and led by the University Comptroller will create a campus procedural guide and training slides to implement the program.

