

# Division of Business & Finance

## Comptroller's Update

February 19, 2016



**North Carolina Agricultural and Technical State University**



# Comptroller's Office Report

## Agenda

- **Audits and Reviews**
  - » Annual Financial Audit – No Audit Findings
  - » Athletics Procedures Review for NCAA Compliance - No Findings
- **Financial Statement Highlights**
  - » Comparative Statement of Net Position
  - » Comparative Statement of Revenues, Expenses, Change in Net Position
  - » Operating and Nonoperating Income
  - » Operating Expenses by Classification
  - » Operating Expenses by Purpose
- **Other Projects**
  - » Banner Finance for University Foundations
  - » HR/Payroll W-2's Issued
  - » Employee Travel Card



## Comptroller's Office Report

- **Annual Financial Audit: No Findings**

- » The Office of the State Auditor issued in December, 2015 their report on the University's 2014-15 fiscal year financial statements. The audit results disclosed no deficiencies in internal control over financial reporting that would be considered to be material nor any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

- **Annual NCAA Compliance Review of Athletics Procedures: No Findings**

- » Associate Vice Chancellor for Campus Enterprises, Angela Peterson, and Athletics Director Earl Hilton coordinated the NCAA's required annual review by an independent accountant of fiscal procedures followed by Division I athletics departments. The University met the NCAA reporting deadline of January 15, 2015, and had no findings in the 31 areas reviewed.

The report to the Chancellor, including the Athletics Program's *Statement of Revenues and Expenses*, is attached.

These audit results are indicative of a consistent dedication to fiscal integrity and operational efficiency in support of our students and the University's mission.



# North Carolina Agricultural and Technical State University

North Carolina Agricultural & Technical State University				
Comparative Statement of Net Position				
		FY 2015	FY 2014	Change
<b>Current Assets</b>				
	Cash and Cash Equivalents	53,981,637	39,078,846	14,902,791
	Receivables and Other Assets	12,465,402	17,714,544	(5,249,142)
	<b>Total Current Assets</b>	<b>66,447,039</b>	<b>56,793,390</b>	<b>9,653,649</b>
<b>Noncurrent Assets</b>				
	Cash and Cash Equivalents	1,542,982	9,992,018	(8,449,036)
	Investments and Other Assets	41,633,089	38,170,877	3,462,212
	Capital Assets, Net	333,149,779	328,497,378	4,652,401
	<b>Total Noncurrent Assets</b>	<b>376,325,850</b>	<b>376,660,273</b>	<b>(334,423)</b>
	<b>Total Assets</b>	<b>442,772,889</b>	<b>433,453,663</b>	<b>9,319,226</b>
	<b>Deferred Outflows of Resources</b>	<b>6,233,736</b>	<b>5,785,616</b>	<b>448,120</b>
<b>Current Liabilities</b>				
	Accrued Liabilities and Unearned Revenue	8,621,644	9,227,125	(605,481)
	Long-Term Liabilities - Current	2,264,958	1,569,160	695,798
	<b>Total Current Liabilities</b>	<b>10,886,602</b>	<b>10,796,285</b>	<b>90,317</b>
<b>Noncurrent Liabilities</b>				
	Long-Term Liabilities	41,366,624	35,591,632	5,774,992
	Pension Liability	4,839,285	25,571,132	(20,731,847)
	Other Noncurrent Liabilities	1,084,182	1,169,123	(84,941)
	<b>Total Noncurrent Liabilities</b>	<b>47,290,091</b>	<b>62,331,887</b>	<b>(15,041,796)</b>
	<b>Total Liabilities</b>	<b>58,176,693</b>	<b>73,128,172</b>	<b>(14,951,479)</b>
	<b>Deferred Inflows of Resources</b>	<b>17,478,186</b>	<b>-</b>	<b>17,478,186</b>
<b>Net Position</b>				
	Net Investment in Capital Assets	303,335,850	308,666,231	(5,330,381)
	Restricted - Nonexpendable	32,425,730	30,613,482	1,812,248
	Restricted - Expendable	19,891,736	17,787,459	2,104,277
	Unrestricted	17,698,430	9,043,935	8,654,495
	<b>Total Net Position</b>	<b>373,351,746</b>	<b>366,111,107</b>	<b>7,240,639</b>



# North Carolina Agricultural and Technical State University

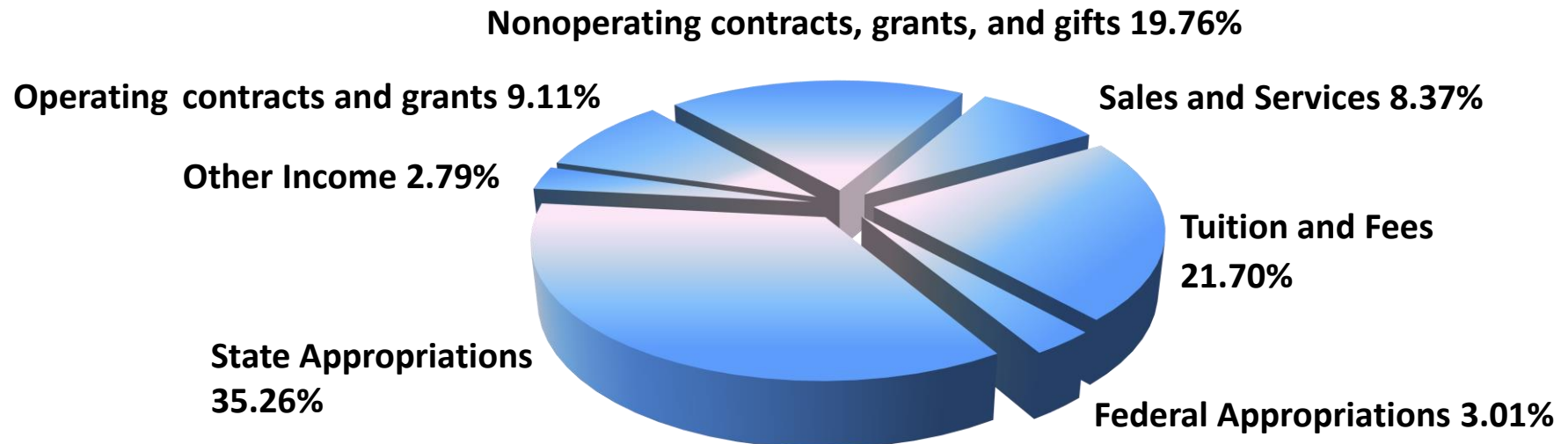
North Carolina Agricultural & Technical State University				
Comparative Statement of Revenues, Expenses, and Changes in Net Position				
	FY 2015	FY 2014	Change	
<b>Operating Revenues</b>				
Tuition and Fees	56,474,471	52,472,311	4,002,160	
Federal Appropriations	7,835,526	8,288,731	(453,205)	
Grants and Contracts	23,693,978	25,555,739	(1,861,761)	
Sales and Services	21,788,923	23,839,753	(2,050,830)	
Other	2,181,645	2,295,680	(114,035)	
<b>Total Operating Revenue</b>	<b>111,974,543</b>	<b>112,452,214</b>	<b>(477,671)</b>	
<b>Operating Expenses</b>				
Salaries and Benefits	154,667,408	159,890,423	(5,223,015)	
Supplies and Materials	13,071,660	14,556,120	(1,484,460)	
Services	42,537,414	43,290,739	(753,325)	
Scholarships	19,246,195	19,428,444	(182,249)	
Utilities	5,446,060	5,403,654	42,406	
Depreciation	11,325,403	11,183,047	142,356	
<b>Total Operating Expenses</b>	<b>246,294,140</b>	<b>253,752,427</b>	<b>(7,458,287)</b>	
<b>Operating Loss</b>	<b>(134,319,597)</b>	<b>(141,300,213)</b>	<b>6,980,616</b>	
<b>Nonoperating Revenues (Expenses)</b>				
State Appropriations	91,756,352	92,665,165	(908,813)	
Noncapital Grants and Gifts	51,435,920	50,272,446	1,163,474	
Interest and Fees on Debt	(1,151,614)	(996,320)	(155,294)	
Income earned on investments	3,167,107	5,137,819	(1,970,712)	
Grant to Union Square Campus, Inc	(1,000,000)	-	(1,000,000)	
Loss on disposal of property	(4,567,351)	(1,279,421)	(3,287,930)	
<b>Total Nonoperating Revenues</b>	<b>139,640,414</b>	<b>145,799,689</b>	<b>(6,159,275)</b>	
<b>Other Revenues</b>				
Capital Appropriations	74,450	2,850,098	(2,775,648)	
Capital Gifts	20,000	131,728	(111,728)	
Additions to Endowments	1,825,372	3,242,425	(1,417,053)	
<b>Total Other Revenues</b>	<b>1,919,822</b>	<b>6,224,251</b>	<b>(4,304,429)</b>	
<b>Total Increase in Net Position</b>	<b>7,240,639</b>	<b>10,723,727</b>	<b>(3,483,088)</b>	
<b>Net Position - Beginning of the Year</b>	<b>386,094,080</b>	<b>375,370,353</b>	<b>10,723,727</b>	
<b>Restatement</b>	<b>(19,982,973)</b>	<b>-</b>	<b>(19,982,973)</b>	
<b>Net Position - End of the Year</b>	<b>373,351,746</b>	<b>386,094,080</b>	<b>(12,742,334)</b>	



## Comptroller's Office Report

- Tuition and fees increased by \$4,002,160 in FY 2015 due to increases in fees and enrollment, particularly in out-of-state students.
- Contracts and grants decreased by \$2,314,967, a result of decreases in federal funding levels.
- Sales and services decreased by \$2,050,830, primarily because the full impact of outsourcing bookstore operations was realized in FY 2015.

### Operating and Nonoperating Income

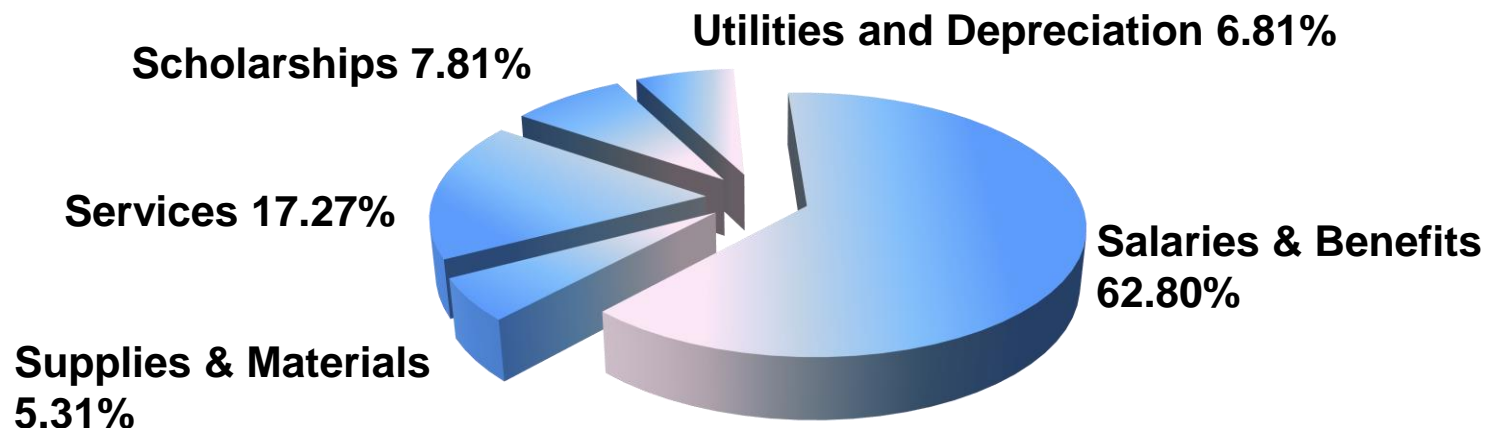




## Comptroller's Office Report

- Salaries and benefits decreased by \$5,223,015, the result of pension costs reclassifications and continued cost cutting measures.
- Supplies decreased by \$1,484,460, mainly due to outsourcing the bookstore.
- Services decreased by \$753,324, primarily the result of a drop in sub-contractor expenditures associated with large Department of Defense contracts.

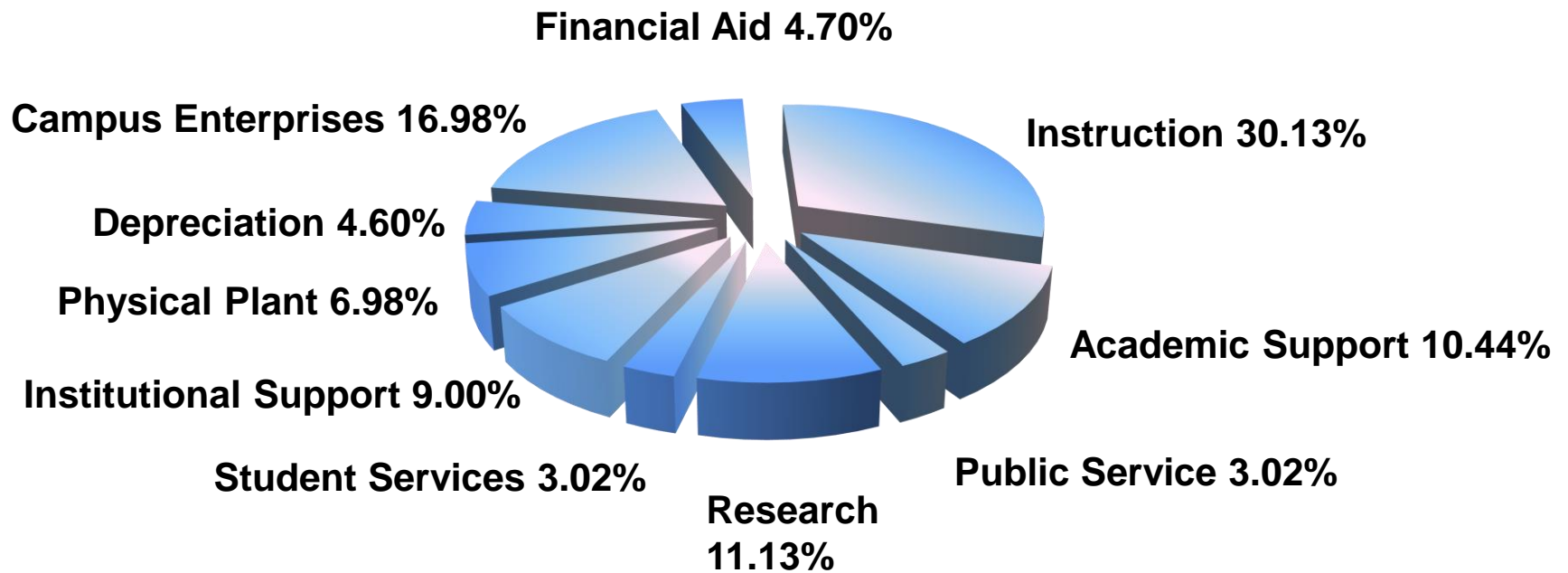
### Operating Expenses by Classification





# Comptroller's Office Report

## Operating Expenses by Purpose







## Comptroller's Office Report

### ▪ Other Projects Involving Comptroller Staff

- » The Accounting, Reporting, Systems, and Treasurer units are partnering with University Advancement and our Foundation to implement Banner Finance in the Foundation and consolidate University/Foundation gifts processing (from receipting to disbursement) to create efficiencies and to provide more accurate and timely donor reporting.
  - Develop charts of accounts for the Real Estate and Philanthropic foundations
  - Unify the receipting of all gifts through the University Treasurer with timely reconciliation
  - Develop and implement a gift funds nomenclature that will uniformly tie advancement and finance records
  - Create or refine reports that will provide accurate reporting across all entities
  
- » The University Payroll and Human Resources Offices completed the employee W-2 process during the last week in January. Employees and former employees can securely access online any of their W-2 Wage and Tax Statements from tax years 2010 – 2015.

Use of the online capability continues to increase, though incrementally. The online capability gives the user better reference capability, reduces phone calls and foot traffic in the Payroll office, and helps eliminate the expense and delays of mailing the forms.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Online W-2's Issued	2,052	1,800	1,400	600
Paper W-2's Mailed	2,732	2,900	3,400	4,160



## Comptroller's Office Report

- **Other Projects Involving Comptroller Staff**

- » The Accounting Office, in concert with Bank of America, is developing an employee travel card that should significantly reduce the current prepayment processing requirements for travel advances and will eliminate the need for a traveler to initially pay for their expected expenses.

Affiliated with the State's procurement card program, the travel card will be a University-liability VISA card providing travelers with an easy method to pay for expenses associated with official University business travel. Travel justification and documentation requirements will remain in place.

Rollout of the "Aggie T-Card" is expected to take place this summer.

