



**NORTH CAROLINA AGRICULTURAL
AND TECHNICAL STATE UNIVERSITY**

DIVISION OF BUSINESS & FINANCE

COMPTROLLER'S UPDATE

FEBRUARY 17, 2017

AGGIES DO

AGENDA

Audits and Reviews

- » Annual Financial Audit – No Audit Findings
- » Athletics Procedures Review for NCAA Compliance - No Findings

Other Projects

- » Banner Finance and the Foundation
- » Employee Travel Card
- » Travel Card for Athletes
- » Bond Refinancing
- » SACS Accreditation
- » W-2's Issued

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

Audits and Reviews

■ Annual Financial Audit: No Findings

- » The Office of the State Auditor issued in December, 2016 their report on the University's 2015-16 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

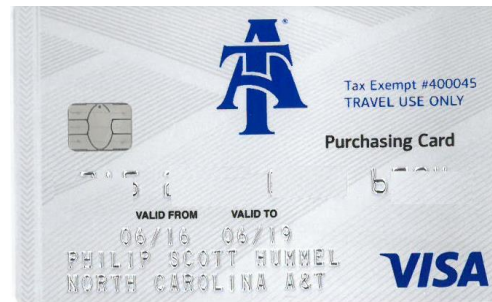
- » Associate Vice Chancellor for Campus Enterprises Angela Peterson and Athletics Director Earl Hilton coordinated the NCAA's required annual review by an independent accountant of fiscal procedures followed by Division I athletics departments. The University met the NCAA reporting deadline of January 15, 2017, and had no findings in the 44 areas reviewed.

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

- This is the sixth consecutive year of clean financial statement audits, and eleventh consecutive year of clean NCAA reviews. Fiscal integrity and operational efficiency in support of our students and the University's mission continues as our guiding principle.

Travel Card

- » The Accounting Office, in concert with Bank of America, developed 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 is 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 remain.
- » The Athletics Department has provided pre-loaded cards to the men's and women's basketball program on a test basis. This best practice provides fiscal, safety, and player activity control:
 - Coaches and athletes do not have to carry cash (safety), and daily spending amounts are limited
 - Athletes are restricted to essential purchases (e.g., restaurants instead of unauthorized merchants)
 - Unused funds are brought back into the budget after the trip, not kept by the athlete (NCAA compliance)
 - Removes from coaches and athletes burden of joint meals, especially over holiday/semester breaks



Bond Refinancing

- » We are attempting to refinance our \$2.66M portion of the Series 2006B UNC System Pool Revenue Bonds (used to enlarge our dining facility) that would otherwise retire in 2020. We've set a go/no-go savings floor of 3% and with good bids from banks aim to save between \$90k - \$105k as a result.

SACS Accreditation Interim Review

- » Compliance evaluation reports were prepared and submitted to the A&T Institutional Effectiveness and SACS Compliance team, providing compliance evidence in eight Business & Finance areas for the SACS Accreditation Interim Review. We are successfully on target for the 2018-19 ten-year review.

W-2 Tax Reporting

- » The University's W-2's were prepared and mailed or placed online in timely manner. However, the online W-2 feature continues to be adopted slowly by employees (43%) even though the capability enhances delivery time and provides secure online access to their 2011-2016 forms

North Carolina Agricultural and Technical State University
Comparative Statement of Net Position

	FY 2016	FY 2015	Change
Assets			
Current Assets			
Cash and Cash Equivalents	71,222,706	53,981,637	17,241,069
Receivables and Other Assets	10,773,664	12,465,402	(1,691,738)
Total Current Assets	81,996,370	66,447,039	15,549,331
			-
Noncurrent Assets			
Cash and Cash Equivalents	72,626,786	1,542,982	71,083,804
Investments and Other Assets	41,408,756	41,633,089	(224,333)
Capital Assets, Net	339,715,116	333,149,779	6,565,337
Total Noncurrent Assets	453,750,658	376,325,850	77,424,808
Total Assets	535,747,028	442,772,889	92,974,139
Deferred Outflows of Resources	6,413,965	62,337,366	(55,923,401)

The University's Net Position increased \$15.5M
to \$388.9M in FY 2016

	FY 2016	FY 2015	Change
Liabilities			
Current Liabilities			
Accrued Liabilities and Unearned Revenues	10,505,469	8,621,644	1,883,825
Long-Term Liabilities - Current	3,925,838	2,264,958	1,660,880
Total Current Liabilities	14,431,307	10,886,602	3,544,705
Noncurrent Liabilities			
Long-Term Liabilities	119,753,540	41,366,624	78,386,916
Pension Liability	14,713,153	4,839,285	9,873,868
Other Noncurrent Liabilities	1,118,667	1,084,182	34,485
Total Noncurrent Liabilities	135,585,360	47,290,091	88,295,269
Total Liabilities	150,016,667	58,176,693	91,839,974
Deferred Inflows of Resources	3,266,930	17,478,186	(14,211,256)
Net Positions			
Net Investment in Capital Assets	293,589,561	303,335,850	(9,746,289)
Restricted - Nonexpendable	34,860,432	32,425,730	2,434,702
Restricted - Expendable	20,412,598	19,891,736	520,862
Unrestricted	40,014,805	17,698,430	22,316,375
Total Net Position	388,877,396	373,351,746	15,525,650

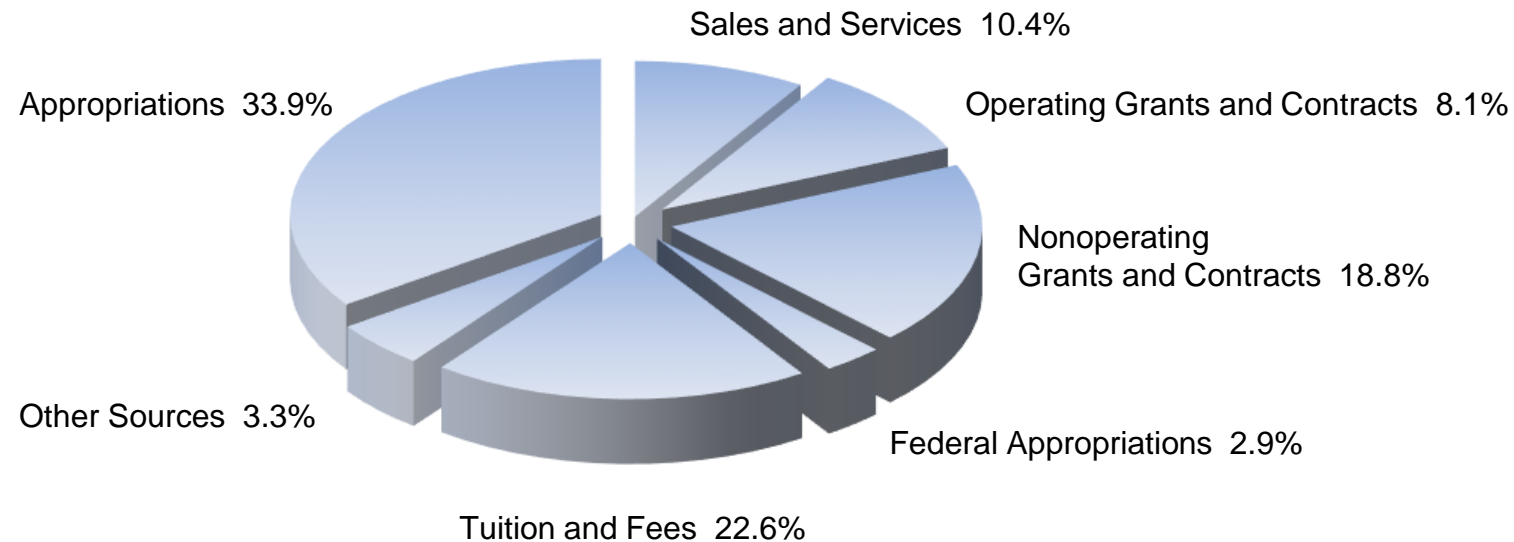
**North Carolina Agricultural and Technical State University
Statement of Revenues, Expenses and Change in Net Position**

	FY 2016	FY 2015	Change
Operating Revenues			
Tuition and Fees	60,524,020	56,474,471	4,049,549
Federal Appropriations	7,953,441	7,835,526	117,915
Grants and Contracts	22,044,477	23,693,978	(1,649,501)
Sales and Services	28,016,855	21,788,923	6,227,932
Other	2,058,104	2,181,645	(123,541)
Total Operating Revenues	120,596,897	111,974,543	8,622,354
			-
Operating Expenses			
Salaries and Benefits	153,424,134	154,667,408	(1,243,274)
Supplies and Materials	16,337,949	13,071,660	3,266,289
Services	46,412,883	42,537,414	3,875,469
Scholarships	18,853,181	19,246,195	(393,014)
Utilities	5,367,842	5,446,060	(78,218)
Depreciation	11,414,876	11,325,403	89,473
Total Operating Expenses	251,810,865	246,294,140	5,516,725
			-
Total Operating Loss	(131,213,968)	(134,319,597)	3,105,629

	FY 2016	FY 2015	Change
Nonoperating Revenues (Expenses)			
State Appropriations	92,648,666	91,756,352	892,314
Noncapital Grants and Gifts	52,414,842	51,435,920	978,922
Interest and Fees on Debt	(2,816,444)	(1,151,614)	(1,664,830)
Income Earned on Investments	701,810	3,167,107	(2,465,297)
Grant to Union Square Campus	(1,000,000)	(1,000,000)	-
Loss on Disposal of Property	(741,879)	(4,567,351)	3,825,472
Total Nonoperating Revenues	141,206,995	139,640,414	1,566,581
			-
Income Before Other Revenues	9,993,027	5,320,817	4,672,210
			-
Other Revenues			
Capital Appropriations	2,121,223	74,450	2,046,773
Capital Gifts	956,503	20,000	936,503
Additions to Endowments	2,454,897	1,825,372	629,525
Total Other Revenues	5,532,623	1,919,822	3,612,801
			-
Increase in Net Position	15,525,650	7,240,639	8,285,011
			-
Net Position			
Net Position - July 1, 2015	373,351,746	386,094,080	(12,742,334)
Restatement		(19,982,973)	19,982,973
Net Position - June 30, 2016	388,877,396	373,351,746	15,525,650

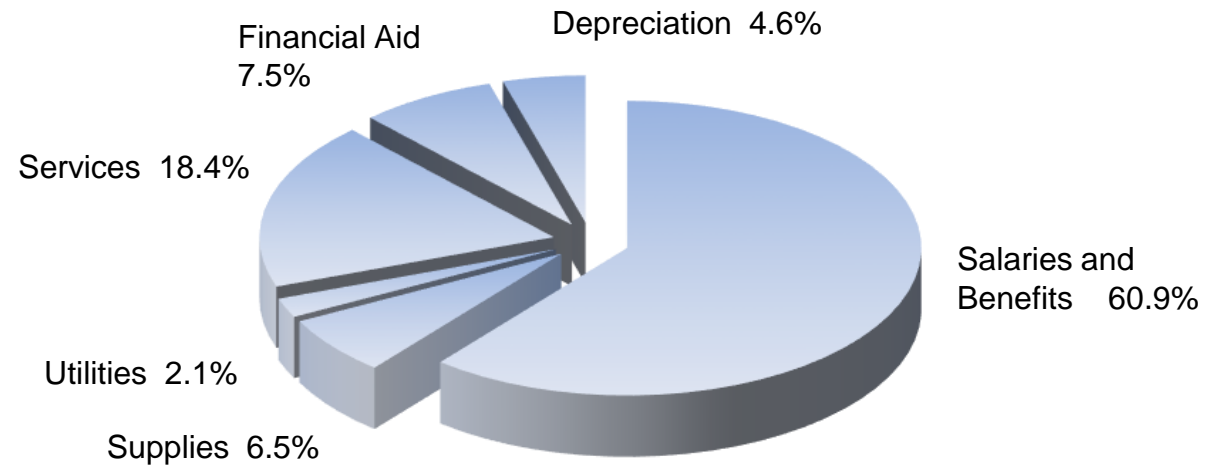
Operating and Nonoperating Income

- **Tuition and fees increased by \$4,049,549 in FY 2016 due to increases in fees and enrollment, particularly in out-of-state students.**
- **Contracts and grants decreased by \$1,647,501 due to the timing of new grant start up dates and old grant end dates.**
- **Sales and services increased by \$6,227,932 due to increases in enrollment and fees. The University also received a one-time investment payment by the food service provider.**



Operating Expenses by Classification

- **Salaries and Benefits decreased by \$1,243,274 due to lower vacation and pension expenses.**
- **Supplies increased by \$3,266,288 due primarily to library electronic resources and software purchases.**
- **Services increased by \$3,875,469 due primarily to increases in information technology services, subcontract agreements, and the food vendor contract expenses.**



Operating Expenses by Purpose

