



**NORTH CAROLINA AGRICULTURAL
AND TECHNICAL STATE UNIVERSITY**

DIVISION OF BUSINESS & FINANCE

COMPTROLLER'S UPDATE

NOVEMBER 17, 2017

AGGIES DO

AGENDA

Audits and Reviews

- » Assessment of Internal Controls over Financial Reporting (AICFR)
- » Annual Financial Audit
- » Athletics Procedures Review for NCAA Compliance (AUP)

Comptroller's Office Projects

- » Accounting Office
 - » Accounts Payable A/P Director
 - » Travel Department Projects (Travel Card, Chrome River)
- » Treasurer's Office
 - » eRefund and Fixed Tuition Projects
 - » Succession Planning: Trial by Fire
- » Systems Development
- » Payroll Department
 - » Payroll Director Retiring
 - » Employee Self-Service for Banking
- » Bond Rating Confirmation
- » Investment Foundation

Financial Statement Highlights

- » Financial Reporting Department

Audits and Reviews

- » Assessment of Internal Controls over Financial Reporting (AICFR)
 - » The AICFR is the university system's equivalent of the state's EAGLE program, and has been a valuable tool to reduce audit issues and promote consistent audit treatment across campuses.
 - » Our University's self-assessment team is comprised of the managers of 50 fiscal related areas.
 - » The end-product is a 73-page document certified by the CFO and Chancellor that addresses any internal control concerns or areas to be strengthened.
- » Annual Financial Audit
 - » The audit team from the Office of the State Auditor has begun its field work on campus to prepare its annual report on the University's financial statements. The audit is expected to be completed in December, with a final report to be issued soon thereafter.
- » Athletics Agreed Upon Procedures (AUP) Review
 - » Coordinated by Associate Vice Chancellor for Campus Enterprises Angela Peterson and Director of Athletics Earl Hilton; conducted by RSM (formerly RSM McGladrey).
 - » Required annually by the NCAA, 44 fiscal and procedural areas followed by Division I athletics departments must be reviewed by an independent accountant.
 - » The review is to be completed in December for Chancellor certification to the NCAA by January 15.

Comptroller's Office Projects

» Accounting Office

» Accounts Payable A/P Director

Utilizing additional capabilities of the AggieMart procurement system, A/P Director is more robust than Banner A/P, enabling the electronic capture of vendor invoices and campus check requests (with the attendant reduction in paper). Though invoices are currently being input manually, Procurement Services is working with our larger vendors to submit e-invoices. Future plans are to have an outsourced service scan all invoices for uploading to A/P Director.

» Travel Card

The University T-card is gaining popularity among campus employees, as it eliminates the need for a traveler to initially pay for their expected expenses and reduces the current prepayment processing requirements for travel advances. With this credit card, all travel related expenses except meals can be charged to the traveler's University fund, which is then reconciled upon return. Nearly 200 employee T-cards have been issued to date.

Athletes are issued a pre-loaded debit T-card, removing responsibility from coaches and athletes to carry cash during events or hold joint meals during holiday breaks. Athletes are restricted to essential purchase (such as food) and unused funds are returned to the Athletics budget after the trip. Over 280 athlete stored value T-cards have been issued.

» Chrome River

A project team has been assembled to plan the implementation of this travel management software that integrates with Banner and provides online filing, processing, and storage of travel reports, receipts, and reimbursements.

Comptroller's Office Projects

- » Treasurer's Office

- » Fixed Tuition

- The Treasurer's Office developed and tested the rate tables, with assistance from Information Technology Services and the Registrar's Office, to assign a tuition rate for incoming freshmen that remains in place (no increases) for eight consecutive semesters.

- » eRefunds Project

- Further enabling self-service Banner, the Treasurer's Office heavily promoted to students their capability to enroll in direct deposit for their financial aid/credit balance refunds. The result of this successful initiative is that over 70% of the student population is now utilizing direct deposit (compared to 53% last year), paper direct deposit requests have been eliminated, checks have been significantly reduced, and students can review and change their banking account information as needed.

- » Succession Planning: Trial by Fire

- » Systems Development

- » Involved in the majority of projects related to Business & Finance

Comptroller's Office Projects

» Payroll Department

» Payroll Director Retiring

Having well-served the University for over twelve years, Ms. Margaret Stancil is retiring as Payroll Director. She will remain in a short-term role through January to assist the new director, who is expected to begin in November.

» Employee Self-Service for Banking

Beginning in January, employees may use self-service Banner to allocate their paychecks to multiple banks if they wish. Currently, employees can verify and update their current address information for accurate W-2 reporting.

» Other Comptroller's Office Projects

» Bond Rating Confirmation

The Fitch Bond rating Agency conducted a review of current University data in the areas of governance, finance, facilities, enrollment, housing, debt, endowment management, fund raising, and research and not only confirmed our A+ rating, but moved the rating from "stable" to "positive". Our Moody's rating remains a strong A1.

» The NC A&T Investment Foundation, Inc.

We have created a new 501(c)(3) associated entity that will allow the University and its associated entities to pool their funds (primarily endowments), thus bringing consistency of investment management, reducing investment manager fees, and facilitating the consolidation of endowment reporting. Initial participants will be the University, the North Carolina A&T Real Estate Foundation, Inc. and The Foundation for NC A&T State University, Inc. (Philanthropic).

**Financial Reporting Department
Financial Statement Highlights**

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

	FY 2017	FY 2016	Change
Assets			
Current Assets			
Cash and Cash Equivalents	73,744,464	71,222,706	2,521,758
Receivables and Other Assets	16,318,834	10,773,664	5,545,170
Total Current Assets	90,063,298	81,996,370	8,066,928
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Noncurrent Assets			
Cash and Cash Equivalents	44,500,407	72,626,786	(28,126,379)
Investments and Other Assets	48,579,122	41,408,756	7,170,366
Capital Assets, Net	366,935,341	339,715,116	27,220,225
Total Noncurrent Assets	460,014,870	453,750,658	6,264,212
Total Assets	550,078,168	535,747,028	14,331,140
Deferred Outflows of Resources	26,491,639	6,413,965	20,077,674

**The University's Net Position increased \$13.6M
to \$402.5 in FY 2017**

	FY 2017	FY 2016	Change
Liabilities			
Current Liabilities			
Accrued Liabilities and Unearned Revenues	13,321,663	10,505,469	2,816,194
Long-Term Liabilities - Current	3,879,577	3,925,838	(46,261)
Total Current Liabilities	17,201,240	14,431,307	2,769,933
Noncurrent Liabilities			
Long-Term Liabilities	116,932,878	119,753,540	(2,820,662)
Pension Liability	37,095,928	14,713,153	22,382,775
Other Noncurrent Liabilities	1,105,734	1,118,667	(12,933)
Total Noncurrent Liabilities	155,134,540	135,585,360	19,549,180
Total Liabilities	172,335,780	150,016,667	22,319,113
Deferred Inflows of Resources	1,753,205	3,266,930	(1,513,725)
Net Positions			
Net Investment in Capital Assets	293,854,377	293,589,561	264,816
Restricted - Nonexpendable	37,802,736	34,860,432	2,942,304
Restricted - Expendable	27,948,695	20,412,598	7,536,097
Unrestricted	42,875,015	40,014,805	2,860,210
Total Net Position	402,480,823	388,877,396	13,603,427

Financial Reporting Department

Financial Statement Highlights

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

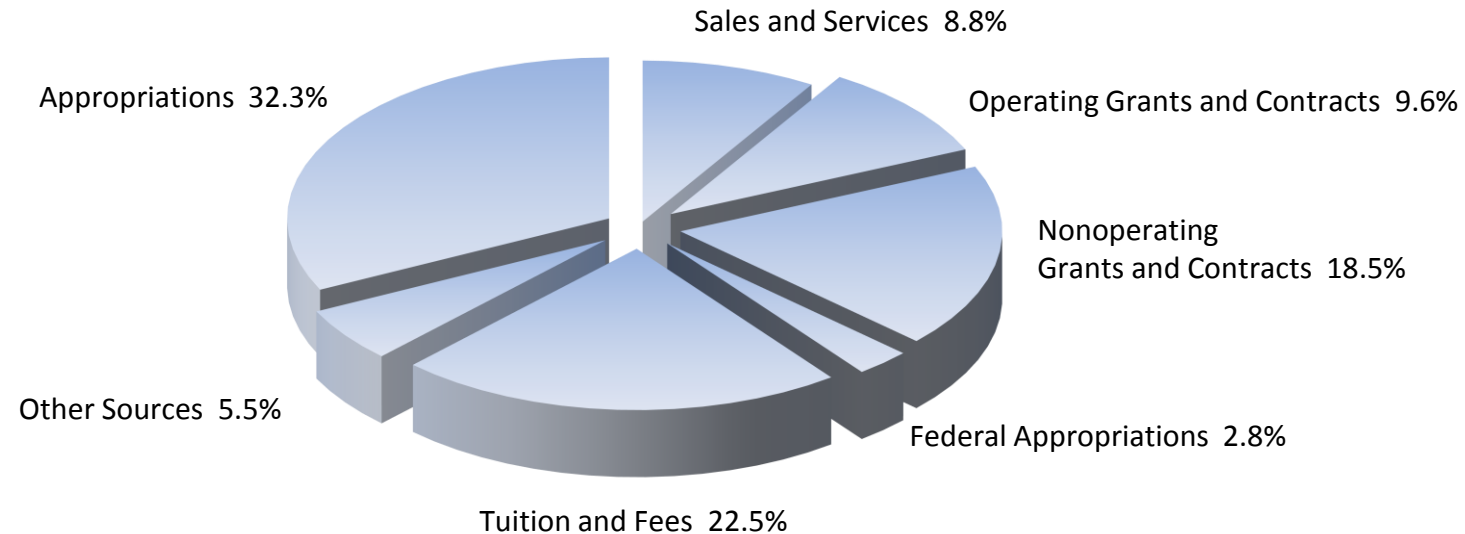
	FY 2017	FY 2016	Change
Operating Revenues			
Tuition and Fees	64,582,416	60,524,020	4,058,396
Federal Appropriations	7,931,654	7,953,441	(21,787)
Grants and Contracts	27,590,815	22,044,477	5,546,338
Sales and Services	25,210,059	28,016,855	(2,806,796)
Other	2,603,610	2,058,104	545,506
Total Operating Revenues	127,918,554	120,596,897	7,321,657
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Operating Expenses			
Salaries and Benefits	167,626,173	153,424,134	14,202,039
Supplies and Materials	13,390,469	16,337,949	(2,947,480)
Services	51,953,425	46,412,883	5,540,542
Scholarships	18,585,424	18,853,181	(267,757)
Utilities	5,660,333	5,367,842	292,491
Depreciation	11,698,729	11,414,876	283,853
Total Operating Expenses	268,914,553	251,810,865	17,103,688
Total Operating Loss	(140,995,999)	(131,213,968)	(9,782,031)

	FY 2017	FY 2016	Change
Nonoperating Revenues (Expenses)			
State Appropriations	92,518,300	92,648,666	(130,366)
Noncapital Grants and Gifts	52,969,117	52,414,842	554,275
Interest and Fees on Debt	(3,846,685)	(2,816,444)	(1,030,241)
Income Earned on Investments	7,123,196	701,810	6,421,386
Grant to Union Square Campus		(1,000,000)	1,000,000
Loss on Disposal of Property	(193,689)	(741,879)	548,190
Total Nonoperating Revenues	148,570,239	141,206,995	7,363,244
Income Before Other Revenues	7,574,240	9,993,027	(2,418,787)
Other Revenues			
Capital Appropriations	1,777,450	2,121,223	(343,773)
Capital Aid and Gifts	854,851	956,503	(101,652)
Additions to Endowments	3,396,887	2,454,897	941,990
Total Other Revenues	6,029,188	5,532,623	496,565
Increase in Net Position	13,603,427	15,525,650	(1,922,222)
Net Position			
Net Position - July 1	388,877,396	373,351,746	15,525,650
Net Position - June 30, 2016	402,480,823	388,877,396	15,525,650



Operating and Nonoperating Income

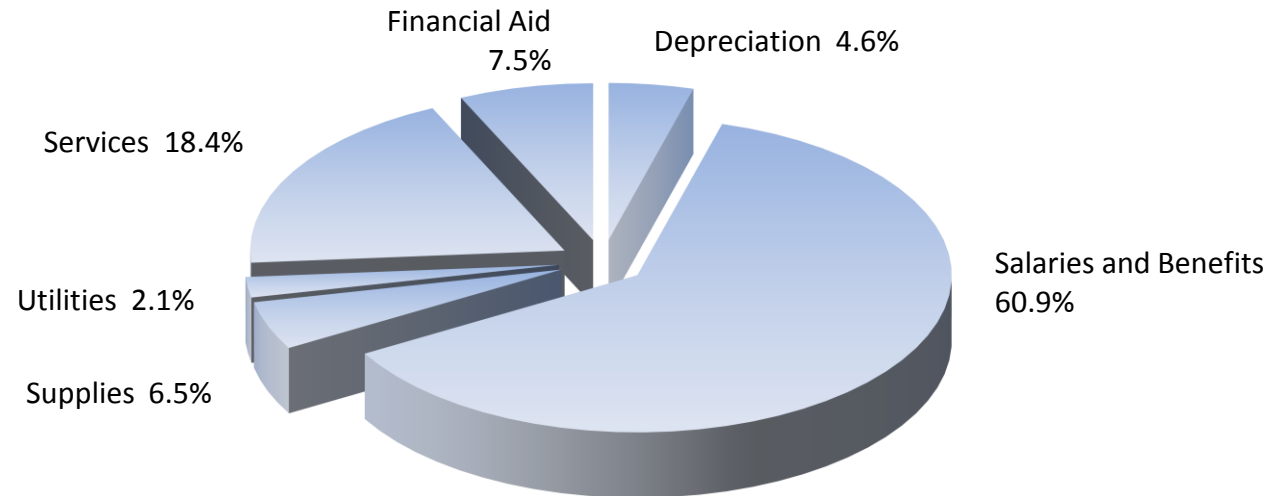
- **Tuition and fees increased \$4,058,395 in FY 2017 due to increases in fees and enrollment.**
- **Contracts and grants increased \$5,546,338 due to increases in new awards.**
- **Sales and services decreased \$2,806,799 due to one-time receipt of \$4,368,660 in FY 2016. With the elimination of the one-time receipt, sales and services increased \$1,561,861.**





Operating Expenses by Classification

- **Salaries and Benefits increased by \$14,202,039 due to increase in personnel, vacation, and pension expenses.**
- **Supplies decreased by \$2,947,480 due primarily to overall decrease in non-capital equipment and maintenance costs.**
- **Services increased by \$5,540,542 due primarily to increases in travel, food services, security contracts, legal and accounting services, building rental, and grants and contracts sub-agreements.**



Operating Expenses by Purpose

