

# DIVISION OF BUSINESS & FINANCE

## COMPTROLLER'S UPDATE

November 12, 2021



## Agenda

- **Bond Refinancing**
  - > To take advantage of significantly lower interest rates.
    - In discussion with First Tryon and Goldman Sachs to refinance the outstanding University of North Carolina System General Revenue Bonds (North Carolina A&T) Series 2015A, maturing on or after October 1, 2026,
    - Pay the costs incurred in connection with the issuance of the 2021 Bonds.
    - We are currently on hold as we observe market trends.
- **Audits**
  - > Annual Financial Audit
    - Underway, and expected to be completed by early December. Being conducted virtually.
  - > State Single Audit
    - We have not been selected for the State Single Audit for this year.
- **Financial Statements**
  - > The fiscal year 2021 financial statements have been submitted to the Office of the State Controller.

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Unaudited **Financial Statement**  
**Highlights**





## Statement of Revenue, Expenditures, and Change in Net Position

	FY 2021	FY 2020	Change
<b>Operating Revenues</b>			
Tuition and Fees	67,311,851	78,671,603	(11,359,752)
Federal Appropriations	10,712,962	8,062,967	2,649,995
Grants and Contracts	28,933,351	25,582,483	3,350,868
Sales and Services	18,191,628	26,257,946	(8,066,318)
Other	5,707,985	5,193,910	514,075
<b>Total Operating Revenues</b>	<b>130,857,777</b>	<b>143,768,909</b>	<b>(12,911,132)</b>
<b>Operating Expenses</b>			
Salaries and Benefits	178,829,581	181,503,615	(2,674,034)
Supplies and Materials	65,517,129	73,708,618	(8,191,489)
Scholarships	37,532,508	29,817,040	7,715,468
Utilities	5,654,572	5,575,279	79,293
Depreciation	14,658,462	14,543,826	114,636
<b>Total Operating Expenses</b>	<b>302,192,252</b>	<b>305,148,378</b>	<b>(2,956,126)</b>
<b>Total Operating Loss</b>	<b>(171,334,475)</b>	<b>(161,379,469)</b>	<b>(9,955,006)</b>

	FY 2021	FY 2020	Change
<b>Nonoperating Revenues (Expenses)</b>			
State Appropriations	88,887,956	95,490,569	(6,602,613)
State Aid - Coronavirus	4,527,131	28,684	4,498,447
Noncapital contributions	114,152,772	60,151,286	54,001,486
Federal and State COVID-19 Aid	50,121,184	15,461,103	34,660,081
Interest and Fees on Debt	(3,734,054)	(3,910,201)	176,147
Income Earned on Investments	36,527,291	3,906,965	32,620,326
Loss on Disposal of Property	(428,316)	(622,769)	194,453
<b>Total Nonoperating Revenues</b>	<b>290,053,964</b>	<b>170,505,637</b>	<b>119,548,327</b>
<b>Income Before Other Revenues</b>	<b>118,719,489</b>	<b>9,126,168</b>	<b>109,593,321</b>
<b>Other Revenues</b>			
Capital Appropriations	4,679,838	-	4,679,838
Capital Aid and Gifts	37,279,923	31,858,896	5,421,027
Additions to Endowments	9,310,434	6,669,739	2,640,695
<b>Total Other Revenues</b>	<b>51,270,195</b>	<b>38,528,635</b>	<b>12,741,560</b>
<b>Increase in Net Position</b>	<b>169,989,684</b>	<b>47,654,803</b>	<b>122,334,881</b>
<b>Net Position</b>			
Net Position - July 1	231,124,721	183,469,918	47,654,803
<b>Net Position - June 30, 2020</b>	<b>401,114,405</b>	<b>231,124,721</b>	<b>169,989,684</b>

The University's Net Position increased \$170M in FY 2021. Large private gifts, State capital aid, State and Federal COVID-19 grants, as well as endowment gifts contributed to the large increase.



	FY2021	FY2020	Change
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	136,051,387	99,240,005	36,811,382
Receivables and Other Assets	16,873,977	15,214,423	1,659,554
<b>Total Current Assets</b>	<b>152,925,364</b>	<b>114,454,428</b>	<b>38,470,936</b>
<b>Noncurrent Assets</b>			
Cash and Cash Equivalents	11,579,558	5,383,607	6,195,951
Investments	143,147,116	63,086,805	80,060,311
Other Assets	2,359,107	2,287,947	71,160
Capital Assets, Net	464,773,648	436,675,870	28,097,778
<b>Total Noncurrent Assets</b>	<b>621,859,429</b>	<b>507,434,229</b>	<b>114,425,200</b>
<b>Total Assets</b>	<b>774,784,793</b>	<b>621,888,657</b>	<b>152,896,136</b>
<b>Deferred Outflows of Resources</b>			
Related to Refunding	695,715	159,416	536,299
Related to Pensions	22,255,707	20,246,166	2,009,541
Related to OPEB	28,447,491	30,372,040	(1,924,549)
<b>Deferred Outflows of Resources</b>	<b>51,398,913</b>	<b>50,777,622</b>	<b>621,291</b>

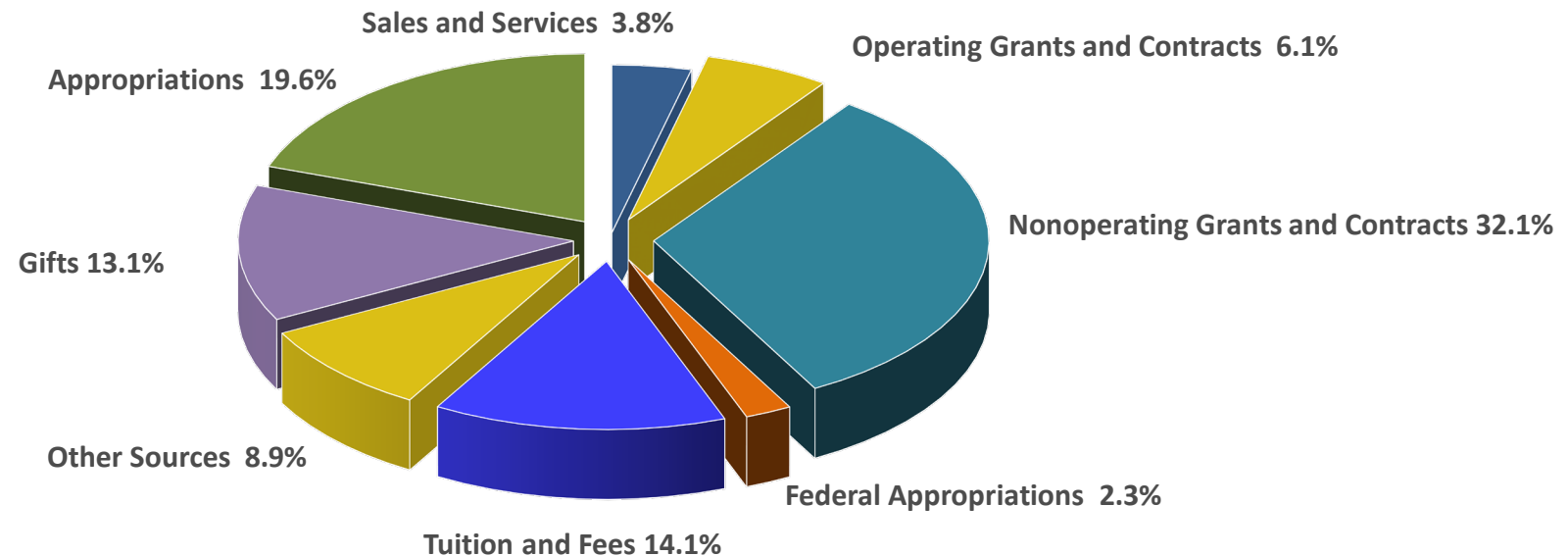
	FY2021	FY2020	Change
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Liabilities and Unearned Revenue	12,087,982	14,877,477	(2,789,495)
Long-Term Liabilities - Current	4,397,132	4,845,969	(448,837)
<b>Total Current Liabilities</b>	<b>16,485,114</b>	<b>19,723,446</b>	<b>(3,238,332)</b>
<b>Noncurrent Liabilities</b>			
Long-Term Liabilities	108,626,034	110,395,757	(1,769,723)
Pension Liability	51,308,617	43,884,366	7,424,251
Liability for OPEB	163,896,722	185,288,154	(21,391,432)
Other Noncurrent Liabilities	424,076	594,425	(170,349)
<b>Total Noncurrent Liabilities</b>	<b>324,255,449</b>	<b>340,162,702</b>	<b>(15,907,253)</b>
<b>Total Liabilities</b>	<b>340,740,563</b>	<b>359,886,148</b>	<b>(19,145,585)</b>
<b>Deferred Inflows of Resources</b>			
Related to Nonexchange Transactions	356,305	47,527	308,778
Related to OPEB and Pensions	83,972,433	81,607,883	2,364,550
<b>Deferred Inflows of Resources</b>	<b>84,328,738</b>	<b>81,655,410</b>	<b>2,673,328</b>
<b>Net Positions</b>			
Net Investment in Capital Assets	362,801,409	330,257,552	32,543,857
Restricted - Nonexpendable	60,792,054	51,463,610	9,328,444
Restricted - Expendable	66,252,636	33,749,391	32,503,245
Unrestricted	(88,731,694)	(184,345,832)	95,614,138
<b>Total Net Position</b>	<b>401,114,405</b>	<b>231,124,721</b>	<b>169,989,684</b>

## Statement of Net Position



## Operating and Nonoperating Income

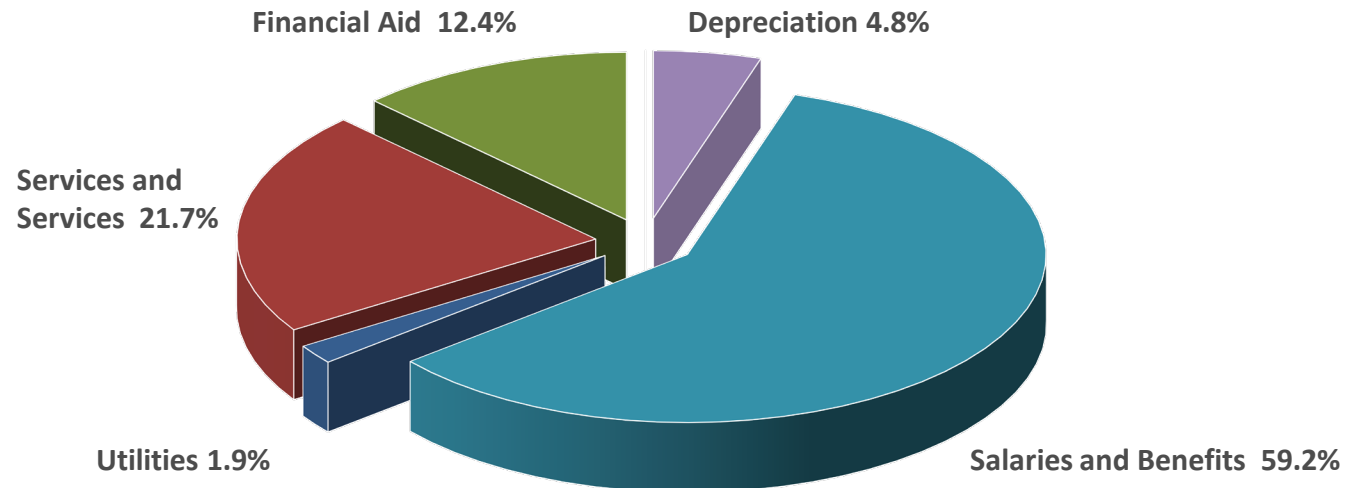
- Tuition and fees and Sales and Services decreased by \$11.4M and \$8M, respectively, as the majority of students studied online. The decrease in student based revenue was off-set by increases in federal appropriations and state and local grants and contracts of \$6M.
- Non operating income increased by \$119M. Federal and State COVID-19 grants increased \$39.1M over the prior year, strong market returns resulted in an increase of investment income of \$32.6M. A large gift of \$45M also contributed to the increase.
- Other revenues increased \$12.7M due State appropriations, State aid for the construction of the new engineering research facility and increases in endowment gifts.





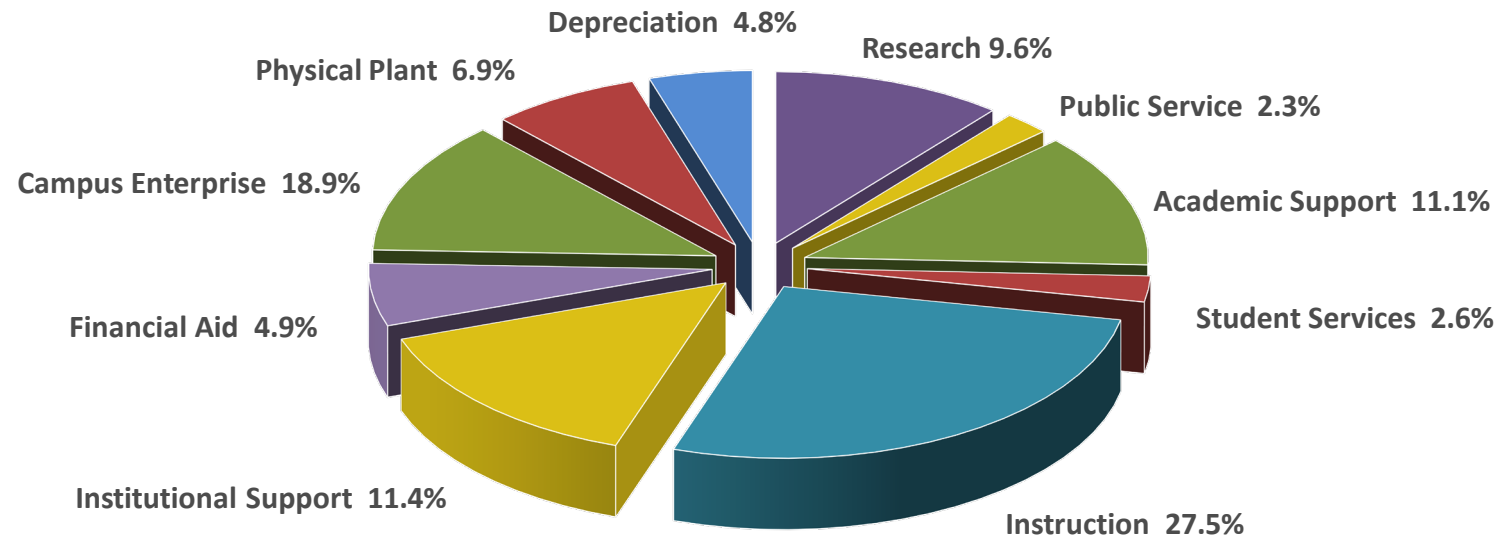
## Operating Expenses by Classification

- While salaries and benefits increased \$1.3M due to increases in state retirement contributions, adjustments for Pension and OPEB decreased by \$4M, resulting in a net decrease of \$2.6M.
- With most employees working remotely during the year, services and supplies decreased by \$8.2M.
- Scholarships and fellowships increased \$7.7M, a significant increase over the prior year. The increase was due to additional funds provided by Federal Higher Education Emergency Relief Funds.





## Operating Expenses by Purpose





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*Thank-you*

