

University of Connecticut (Storrs & Regional Campuses)

Quarterly Overview of the Operating and Research Funds For the Three Months Ended September 30, 2016

On June 29, 2016, the Board of Trustees approved a Spending Plan for Fiscal Year 2017 which included \$1,319.8 million of revenue to cover \$1,319.4 million in expenses.

Financial results for the first three months of Fiscal Year 2017 reflected a number of different factors when compared to budget. Actual revenue totaled \$453.9 million and actual expenditures totaled \$274.9 million resulting in a \$179.0 million net gain for the quarter. The large gains at this point in the year are due to the tuition and room and board fees collected at the beginning of the semester, yet expended throughout the remainder of the semester and fiscal year.

A more detailed review of the activity through the end of the first quarter is presented below.

Revenues

Operating Fund

Total **Operating Fund** revenue collections through the first quarter of Fiscal Year 2017 were \$432.6 million which represented 35.6% of the annual budget. Expenditures at this point last year represented 35.7% of the annual budget. A major source of revenue, **State Support**, was \$64.1 million and represented 14.8% of the total operating fund received for the first three months. On June 8, 2016, a lapse of \$6.9 million (\$11.4 million with fringe benefits) was reduced from the University's overall State Support.

Tuition collections were the largest source of revenue, totaling \$186.2 million, which represented 43.0% of total operating fund receipts. Tuition revenue collections reflected a \$700 rate increase coupled with a 1.0% increase in the number of undergraduate students.

Fee revenue is comprised of course fees from summer school, part-time, and non-degree students as well as self-supporting programs (off-campus MBA, EMBA, etc.). Also included in this category is the General University Fee, which primarily supports four Auxiliary Enterprise programs. Various other fees such as the Infrastructure Maintenance Fee, Application Fees and Late Payment Fees are included here as well. The three months of Fee collections totaled \$54.2 million or 43.5% of the amount budgeted. This category is projected to be \$1.9 million higher than budgeted due to a larger undergrad population than projected.

Auxiliary Enterprise Revenue through the first quarter of Fiscal Year 2017 was \$90.0 million which represented 42.7% of the annual budgeted amount. The largest portion of Auxiliary Enterprise revenue consists of Room and Board Fees, which totaled \$69.7M through the first three months. Athletics revenue, consisting of ticket sales and sponsor/conference revenue, added another \$11.6M in this category through the first quarter.

Grants and Contracts revenue consists of non-research restricted revenues from a granting agency (e.g. Pell Grants). For the first three months of Fiscal Year 2017, Grants and Contracts revenue was \$27.9 million or 35.2% of the amount budgeted.

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Foundation/Endowment revenue consists of gift funds transferred from the UConn Foundation and investment income on endowments. Through the first quarter of Fiscal Year 2017, the total received was \$0.9 million or 4.5% of the amount budgeted. The low total is not reflective of year end results as the timing of the deposits is lagging behind last year. This category is expected to end the year on budget.

Sales and Services of Educational Activities and Other Sources revenue totaled \$9.2 million or 23.2% of budget for the first quarter. This category includes revenues from the sales of goods or services that are incidental to the conduct of instruction, research, or public service.

Research Fund

With respect to the **Research Fund**, the granting agency or donor restricts most of the revenues. For the first three months, Research Fund revenues were \$21.3 million and represented 20.4% of the amount budgeted.

Expenditures

Operating Fund

Total **Operating Fund** expenditures for the first quarter of Fiscal Year 2017 were \$254.2 million or 21.0% of the annual budgeted amount. Operating expenditures at this point last year were 20.9% of the annual budget.

Personal Services/Fringe Benefit expenditures totaled \$120.1 million and represented 15.8% of the budgeted amount of \$760.6 million. These categories represent 47.2% of the total Operating Fund expenditures. The University continues to closely watch spending in these categories considering the current fiscal environment.

Other Expenses (including energy costs) were \$49.1 million for the first three months. This represents 19.5% of the amount budgeted. The biggest components of this category are utilities, food service, lab supplies, and janitorial costs.

Equipment expenditures of \$4.0 million were 28.8% of the amount budgeted.

Student Aid expenditures were \$75.0 million and represented 46.4% of the amount budgeted. In spite of the decrease of \$4.7 million to the Roberta Willis State Scholarship, UConn is committed to providing financial aid to students based on both need and merit.

Net Debt/Other Transfers for the first three months were \$5.9 million or 23.6% of the amount budgeted.

Research Fund

Finally, **Research Fund** expenditures totaled \$20.7 million and represented 19.5% of the budgeted amount. Due to the variability of research expenditures, quarterly comparisons are not necessarily indicative of annual results.

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Summary

Enrollment

Total undergraduate enrollment at UConn is 23,630 while another 7,810 were enrolled in graduate or professional programs (excluding UConn Health). Total University enrollment for fall 2016 (excluding UConn Health) was up 1.2% from fall 2015. Undergraduate enrollment (degree and non-degree) was up 1.0%, Graduate enrollment was up 2.8%, and Professional enrollment was down 5.2%.

Overview

So far through the first quarter, both revenues and expenditures are coming in as expected. As previously stated, the large net gain through the first three months are not representative of expected year end results. Tuition, room and board fees are collected at the beginning of the semester, and are then expended throughout the remainder of the semester and fiscal year.

The University expects to end Fiscal Year 2017 on budget, and continues to monitor spending, make judicious hiring decisions, and create operational efficiencies where possible. As always, maintaining quality and high standards, while encouraging efficiency and cost reduction, continues to be the financial goal of the University.

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Statement of Operating Budget Revenues and Expenses
For the Month Ending
9/30/2016

	Budget			Actual as of 9/30/2016		
	Operating	Research	Total	Operating	Research	Total
Revenues						
State Appropriation	\$ 223,020,377		\$ 223,020,377	\$ 40,044,846		\$ 40,044,846
State Fringe Benefits	146,911,945		146,911,945	24,065,479		24,065,479
Total State Support	\$ 369,932,322		\$ 369,932,322	\$ 64,110,325		\$ 64,110,325
Tuition	372,685,757		372,685,757	186,226,443		186,226,443
Fees	124,498,396		124,498,396	54,243,101		54,243,101
Grants & Contracts	79,294,938	102,746,343	182,041,281	27,873,969	20,820,814	48,694,783
Foundation/Endowment	20,005,062	287,277	20,292,339	883,693	-	883,693
Sales and Services of Ed Activities	19,828,516		19,828,516	4,536,186	1,210	4,537,396
Auxiliary Enterprise	210,687,140		210,687,140	90,037,712		90,037,712
All Other Sources	18,282,867	1,553,538	19,836,405	4,690,358	476,032	5,166,390
Total Revenues	\$ 1,215,214,998	\$ 104,587,158	\$ 1,319,802,156	\$ 432,601,787	\$ 21,298,056	\$ 453,899,843
Expenses						
Personal Services	\$ 502,222,509	\$ 48,040,959	\$ 550,263,468	\$ 79,827,034	\$ 10,133,774	\$ 89,960,808
Fringe Benefits	258,337,473	15,180,513	273,517,986	40,302,875	2,723,152	43,026,027
Other Expenses	252,054,047	30,940,027	282,994,074	49,115,144	5,522,737	54,637,881
Equipment	13,916,612	3,563,109	17,479,721	4,000,518	339,925	4,340,443
Student Aid	161,624,095	8,536,216	170,160,311	74,989,099	1,935,998	76,925,097
Debt/Other Transfers	24,988,809	-	24,988,809	5,936,150	58,721	5,994,871
Total Expenses	\$ 1,213,143,545	\$ 106,260,824	\$ 1,319,404,369	\$ 254,170,820	\$ 20,714,307	\$ 274,885,127
Net Gain (Loss)	\$ 2,071,453	\$ (1,673,666)	\$ 397,787	\$ 178,430,967	\$ 583,749	\$ 179,014,716