

## EXECUTIVE SUMMARY

TO: Members of the Board of Regents

FROM: Larry Eardley, VC for Budget and Finance, NSHE

SUBJECT: 2012-2013 NSHE Self-Supporting Budgets, Budget to Actual Comparison

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The fiscal year 2012-2013 NSHE Self-Supporting Budget to Actual Comparison report is presented for your information.

The report compares the fiscal year 2012-13 Board approved self-supporting budgets to the fiscal year end 2012-13 actual self-supporting account revenues (sources) and expenditures (uses) for each institution/unit of the System.

Self-supporting budgets are non-state appropriated accounts established for specific NSHE activities and programs that are approved annually by the Board of Regents. Any self-supporting account with annual planned expenditure activity of \$25,000 or more must be budgeted and approved by the Board of Regents. Excluded from the reporting process are grants & contracts, plant, student loan, and endowment funds. Excluded funds are funds that are restricted by donors or outside agencies as to the specific purpose for which they may be expended and with the exception of grants & contracts, are not available to provide a product or service that supports the primary or support objectives of the institution, i.e., instruction, academic support, research, public service, student services, institutional support, operation and maintenance of plant, scholarships and auxiliary activities and are described as non-operating funds.

Self-supporting accounts typically generate revenue through the sale of goods or the provision of services, student fees, investment income and indirect cost recovery funds. These accounts include activities such as the motor pools, resident halls, central stores, athletics, summer school programs, bookstores, continuing education programs and child care centers as well as many departmental sales and service accounts. Since the accounts are not funded by the state, they depend upon the revenues they generate to cover the costs of their operations.

Unlike state funds, a cash balance (or deficit) in any fiscal year carries over as the opening cash balance for the succeeding fiscal year.

This report contains comparison schedules of all budgeted and actual revenues (sources) and expenditures (uses), including beginning and ending balances and net changes in funds for the NSHE in total and for each area (campus/unit) of the NSHE that reported self-supporting budget activity for fiscal year 2012-13.

The system-wide summary tables are displayed on pages 6 & 7 of the report followed by each area's (campus/unit) self-supporting budgets beginning on page 8. A summary table is included at the end of each area's (campus/unit) budgets.

The summary table on page 6, titled "Sources and Uses of Funds - NSHE Summary", displays the System-wide budget to actual comparison of revenues (sources), expenditures (uses), including beginning and ending fund balances, and the net changes in funds balance. For FY 2012-13 actual revenues (sources) of \$499.8 million were received for all reported NSHE self-supporting budgets, actual expenditures (uses) totaled \$499 million, resulting in a net increase of approximately \$891K over the opening funds balance of \$232 million for an ending funds balance of \$232.9 million. The ending fund balance of \$232.9 million for FY 2012-13 represents the opening fund balance for the succeeding FY 2013-14 self-supporting budget accounts.

The actual opening cash balance of \$232 million exceeded the budgeted opening cash of \$220.9 million by \$11.1 million as displayed in the difference column. Actual revenues (sources) received during the year of \$499.8 million were greater than budgeted revenues of \$498.1 million resulting in a net increase \$1.7 million in actual revenues over budgeted revenues for the year. Actual expenditures (uses) of \$499 million were <\$60.2> million less than budgeted expenditures of \$559.1 million, resulting in a net increase of \$73 million in the actual ending fund balance of \$232.9 million over the budgeted ending fund balance of \$159.8 million.

Under "USES" of funds, there is an expenditure line for Reimbursements. Reimbursement of expenditures is unique in the System to the School of Medicine's Practice Plans. The doctors of the Practice Plans are employed and paid by the System. The Practice Plans are billed monthly for reimbursement of the salary and fringe costs associated with the doctors. The revenues are booked as negative expenditures on the System's books, instead of revenues, to avoid double counting of the revenues because the Practice Plan revenues are separately accounted for at year end on the UNR financial statements.

Actual professional and classified employee full time equivalent (FTE) positions of 1807.78 were 475.82 FTE less than budget in FY 2012-13 which accounts for a large portion of the difference between budgeted expenditures and actual expenditures.

The summary table on page 7, titled "Source and Use of Funds by Appropriation Area", displays the actual self-supporting budget revenues (sources) and expenditures (uses) for each area (campus/unit) of the System and includes the actual beginning and ending account balances and the resulting net increase/(decrease) in the funds balance. The system-wide summary totals compare to the actual figures displayed on the previous summary report on page 6. There was a net increase of approximately \$891K in the NSHE self-supporting budget account's fund balances for the year.

The UNR Intercollegiate Athletics budgets ended the year with a negative fund balance of <\$3.108> million which was an increase of approximately \$586K over their FY 2012-13 beginning account balance deficit of <\$2.5> million.