

## EXECUTIVE SUMMARY

TO: Members of the Board of Regents

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

SUBJECT: 2015 NSHE Summer School/Calendar Year Self-Supporting Budget to Actual Comparison

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The 2015 Summer School & Calendar Year Self-Supporting Budget to Actual Comparison report is presented for your information.

The report compares the Board of Regents' approved 2015 Self-Supporting Summer School and Calendar Year Budget revenues (sources) and expenditures (uses) to the year end 2015 actual budget revenues (sources) and expenditures (uses) for each campus of the NSHE.

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 restricted by donors or outside agencies as to the specific purpose for which they may be expended and are not available to provide a product or service that supports the primary or support objectives (Instruction, Academic Support, Student Services, etc.) of the institution – “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, summer school, athletics, 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) of the NSHE that reported self-supporting budget activity for calendar year 2015.

The system-wide summary tables are displayed on pages 7 & 9 of the report followed by each area's (campus) self-supporting budgets beginning on page 11. A summary table is included at the end of each area's (campus) budgets.

The summary table on page 7, titled "Sources and Uses of Funds - NSHE Summary", displays the System-wide budget to actual comparison of revenues (sources), expenditures (uses), beginning and ending fund balances, and the net changes in funds balance. For 2015, actual revenues (sources) of \$30.6 million were received for all reported NSHE self-supporting budgets with actual expenditures (uses) totaling \$30.3 million, resulting in an increase of \$317.6 thousand over the opening funds balance of \$1.21 million for an ending funds balance of approximately \$1.5 million. The ending fund balance of \$1.5 million for 2015 represents the opening fund balance for the following 2016 calendar year self-supporting budget accounts.

The difference column shows actual revenues (sources) received during the year of \$30.6 million were greater than budgeted revenues of \$29.8 million by approximately \$825 thousand and that actual expenditures (uses) of \$30.3 million were greater than budgeted expenditures of \$29.4 million by approximately \$979 thousand, resulting in a net increase of \$209.9 thousand in the actual ending fund balance of \$1.53 million over the budgeted ending fund balance of \$1.32 million.

Transfers out of summer session and other calendar year funds are made, for example, to reimburse other institutional accounts for start up funds used to cover costs incurred by the programs prior to the payment of fees by students, to fund departmental and program support costs incurred by the academic programs that support summer session course offerings and students, i.e., administration, tutoring, counseling, and information technology, and to fund other institutional needs, i.e., equipment replacement, equipment support, faculty development, faculty travel, reserves, and hosting.

The summary table on page 9, titled "Source and Use of Funds by Appropriation Area", displays the actual revenues (sources) and expenditures (uses) for each area (campus) of the System and includes the actual beginning and ending account balances and the resulting net increase/(decrease) in the funds balance. The actual ending account balance for the NSHE institutions exceeded the actual opening account balance by approximately \$318 thousand for the year. The system-wide summary totals compare to the actual figures displayed on the previous summary report on page 7.