Unrestricted Net Position FY 2020-21

November 5, 2021
Transparent Financial Reporting

• The university implemented an Administrative Policy Statement (APS) outlining the reporting requirements regarding variances, carry-forwards, transfers, and fund balances.

• In addition to the items above, the Primary Reserve Ratio is one of the ways we monitor the financial health of the system and campuses.

• Each campus developed fund balance policies in 2014 that include information on the appropriate use of fund balances and transfers. Highlights include:
  o Fund Balances must have a spending plan in place.
  o Transfers of unspent operating funds to plant funds are held there until approved for spending.
### Emergency Tuition Stabilization Plan Status

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*Dollar Amounts are in millions*

*Estimated FY 2020-21 as of November 2020*

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**University of Colorado**

**FOUR CAMPUSES UNITED**

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3
This ratio addresses whether financial asset performance supports the strategic direction by measuring the number of years an entity could pay its expenses without relying on additional net assets. A ratio of 0.40 or better is necessary to give institutions the financial flexibility for positive transformation.
CU Boulder
Overview of Fund Balances, Boulder

- **Compensated Absence & Post-Empl Benefits**
- **Campus Designated Capital**
- **General Programmatic**
- **Strategic Set Aside - Capital**
- **Auxiliary Facilities Nonpledged**

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<tr>
<th>Category</th>
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<td>Auxiliary Facilities Nonpledged</td>
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**Millions**
Overview of Fund Balances, Boulder

- Compensated Absence and Post Employment Benefits (-$514.9 million) will continue to increase due to actuarial calculation and cost allocation methodology.

- General Programmatic ($75.1 million) includes funds held for investments in strategic initiatives, such as student success, classroom technology updates, information technology infrastructure, COVID-19 needs, and Emergency Tuition Stabilization Plan.

- Obligated Capital in Progress ($34.9 million) includes funds set aside for campus debt reserve requirement and other small projects.

- Strategic Set Aside Capital ($127.7 million) is dedicated to addressing deferred maintenance and future infrastructure needs. The specific uses will be informed by campus master planning processes. These monies may be reallocated to address COVID-related costs as necessary for FY 2021-22 and beyond.
Planning Highlights, Boulder

Significant expenditures planned from reserves include:

• Ongoing COVID related needs in academic technology, classrooms and infrastructure

• Increased focus on addressing deferred maintenance

• Engineering North Wing and North Tower renovation

• Colorado Shared Instrumentation in Nanofabrication and Characterization lab and Jennie Smoly Caruthers Biotechnology Building projects

• Hellems and Mary Rippon Theatre Phase I renovations

• Restoration of ETSP funding
Overview of Fund Balances, Denver | Anschutz

- Compensated Absence & Post-Empl Benefits
- Campus Designated Capital
- General Programmatic
- Strategic Set Aside - Capital
- Auxiliary Facilities Nonpledged

FY 2021 Balances vs FY 2020 Balances

- FY 2021 Balances
- FY 2020 Balances
Overview of Fund Balances, Denver | Anschutz

• Campus Designated Capital ($12.2 million) includes equipment, City Heights reserve, and technology initiatives.

• General Programmatic includes:
  o Administration balances are for unplanned emergency repairs, technology replacement, seed funding for new campus initiatives, tuition stabilization resources, and online education initiatives.
  o Academic unit operating contingencies to cover tenured faculty, innovation initiatives, and bridge funding between grants.

• Obligated Capital In Progress ($53.2 million) includes future building planning resources, renovation funds, and debt service obligations.

• Strategic Set Aside – Capital ($68.3 million) includes planning for deferred maintenance, emergency building renewals, and IT infrastructure expansion and replacement.

• Faculty Start-Up and Research Initiatives ($40.2 million) includes recruitment and start-up funding for equipment and supplies to set up laboratory and research programs.
Planning Highlights, Denver Campus

Expenditures planned from reserves include:

- Technology infrastructure maintenance, renewal, and replacement
- Facilities approved deferred maintenance projects
- Start-up packages and research initiatives
- Equipment maintenance and replacement
- Reserve for possible ongoing impact of COVID-19
- City Heights continuing support
- Restoration of ETSP Funding
Planning Highlights, Anschutz Medical Campus

Significant expenditures planned from reserves include:

• Continued construction of the Anschutz Health Sciences Building
• Lab expansion, renewal and replacement projects
• Pharmacy Building Debt Service
• Facilities approved deferred maintenance projects
• Technology infrastructure maintenance, renewal, and replacement
• CU Innovations Initiatives
• Faculty recruitment, start-up packages and research initiatives
• Reserve for impact of COVID-19
Colorado Springs
Overview of Fund Balances, Colorado Springs

• General Programmatic ($61.6 million) includes additional FY 2020-21 tuition revenue received over original lowered enrollment projections due to COVID.

• Accounts Receivable’s ($33.7 million) increase is due to accounting entries for HEERF funding.

• Compensated Absences and Post-employment benefits (-$79.5 million) reflects an increase liability for vacation and sick time, rates, and number of retirees.

• Obligated Capital In-Progress ($9.5 million) includes an adjustment made for the Colorado Springs Urban Renewal Authority partnership.
Planning Highlights, Colorado Springs

Significant expenditures planned from reserves include:

- UCCS will use reserves to recover the ETSP
- UCCS paid off student balances and plans to cover additional student aid for students in need
- The initial costs for CRM will be covered from our reserves
- Planned “hold harmless” budget variances in parallel year in new budget model
System Administration
Overview of Fund Balances, System Administration

- Compensated Absence & Post-Empl Benefits
- Campus Designated Capital
- General Programmatic
- Strategic Set Aside - Capital
- Auxiliary Facilities Nonpledged

FY 2021 Balances vs. FY 2020 Balances (in Millions)

- FY 2021 Balances
- FY 2020 Balances
Overview of Fund Balances, System Administration

• Compensated Absence and Post Employment Benefits ($31.0 million) continue to increase due to personnel changes.

• Increase in Campus Designated Capital ($74.2 million) to accommodate future initiative costs.

• Increase in General Programmatic ($28.6 million) balances reflects System Administration’s intentional reduction in expenses in FY 2020-21.

• Auxiliary Facility Nonpledged ($19.6 million) balances help absorb revenue fluctuations during economic downturns.
Planning Highlights, System Administration

Significant expenditures planned from reserves include:

• UCCS and CU Denver Enrollment Management
• IT initiatives that support Data Governance and Cybersecurity for campuses
• UCCS Retention and Equity Gap
• Innovation efforts that cross campuses (CU Next)
• Campus deferred maintenance and capital renewal projects