

# 2018 Financial Statements

Board of Trustees  
Business Affairs Committee

February 7, 2019



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

# UNCW FY18 AUDITED FINANCIAL STATEMENTS

# FY 2018 Financial Highlights

- State Auditor issued unqualified opinion
- No management letter comments or findings
- No material weaknesses in internal control over financial reporting
- Continued growth in net position, \$34.2 million

# Net Position Reporting History

- Historically, governmental organizations reported net assets:

Assets

-Liabilities

Net Assets

- In 2011, GASB 63 (*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*) was approved
  - Reporting of net assets replaced with reporting of net position
  - Incorporated deferred inflows and outflows of resources
- In 2015 led to GASB 75 (*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*)

# GASB 75 (OPEB) Overview

- **Objectives**
  - Improve accountability and transparency of financial reporting
  - Improve the usefulness of information for decisions or judgments
- **Considerations**
  - Guidance of other accounting standards boards
  - Actuarial and financial analysis
- **Implementation**
  - Effective for fiscal year 2018
  - Actuarially computed and audited
  - Presented one year in arrears

# GASB 75 (OPEB) Impacts

- University must report its share from the State's OPEB Plans
- FY 17 Net Position Restatement – Net decrease of \$331.7 million
  - Decrease in Unrestricted Net Position of \$332.6 million
    - Retiree Health Benefit Fund (RHBF)
  - Increase in Restricted Net Position of \$0.9 million
    - Disability Income Plan of North Carolina (DIPNC)
- Other Impacts
  - Operational impact
  - North Carolina General Assembly has changed the Retiree Health Benefit for new employees as of January 1, 2021

# 2018 Change in Net Position

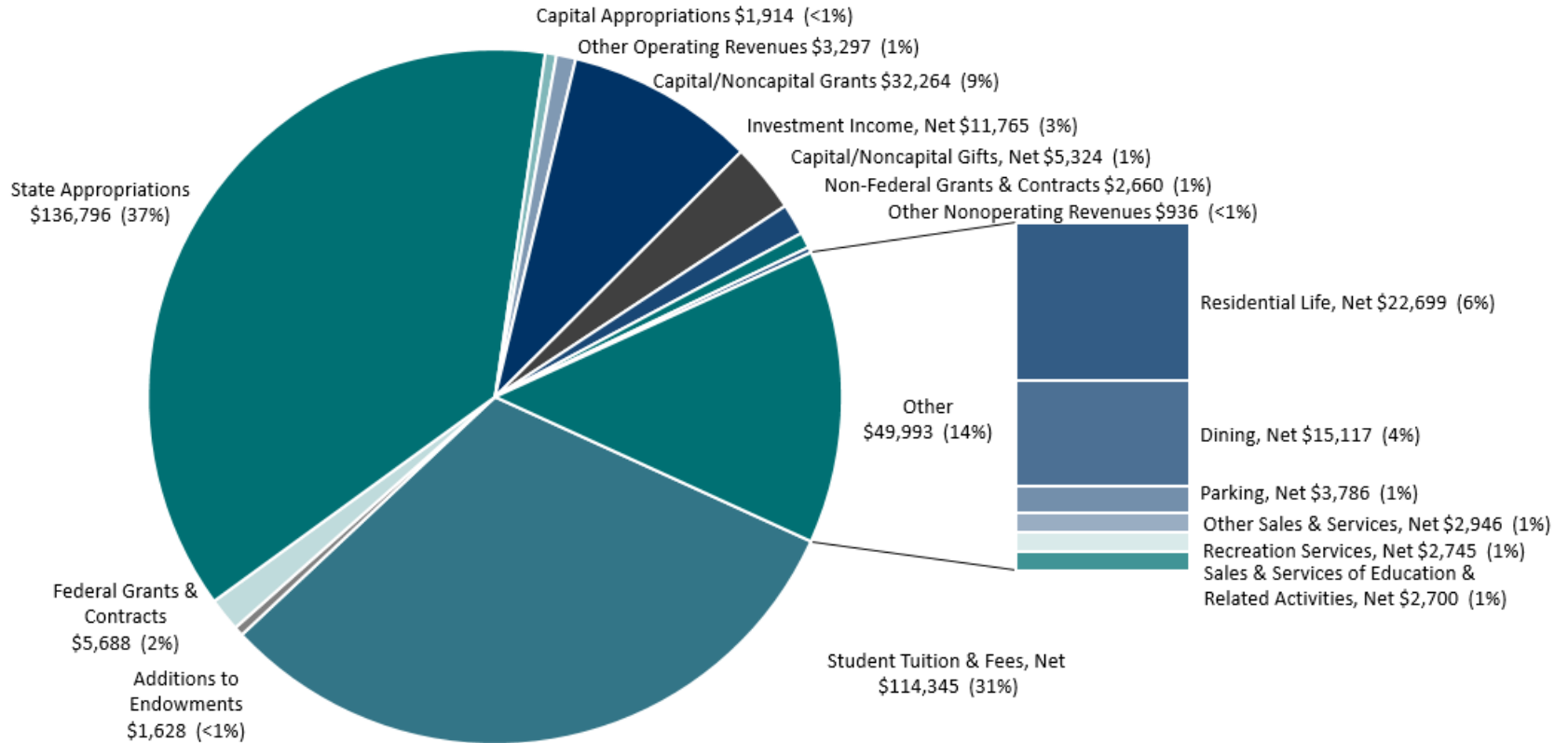
in (000's)	FY 2016	FY 2017*	FY 2018
Operating Loss			
Operating Revenues	\$169,106	\$174,917	\$175,984
Operating Expense	287,628	300,801	323,722
Total Operating Loss	(118,522)	(125,884)	(147,738)
Nonoperating Revenues	132,752	157,713	171,172
Income Before Other Revenues	14,229	31,829	23,434
Other Revenues	6,860	5,451	10,751
<b>Change in Net Position</b>	<b>21,089</b>	<b>37,280</b>	<b>34,185</b>
Net Position July 1	445,564	466,653	172,248
Change in Net Position (above)	21,089	37,280	34,185
<b>Net Position June 30</b>	<b>466,653</b>	<b>503,933</b>	<b>206,433</b>
Net Position Adjustment		(331,685)	
<b>Restated Net Position June 30</b>	<b>466,653</b>	<b>172,248</b>	<b>206,433</b>
<b>Change in Net Position (%)</b>	<b>4.73%</b>	<b>-63.09%</b>	<b>19.85%</b>

*\*Restated*



# Diverse Revenue Sources

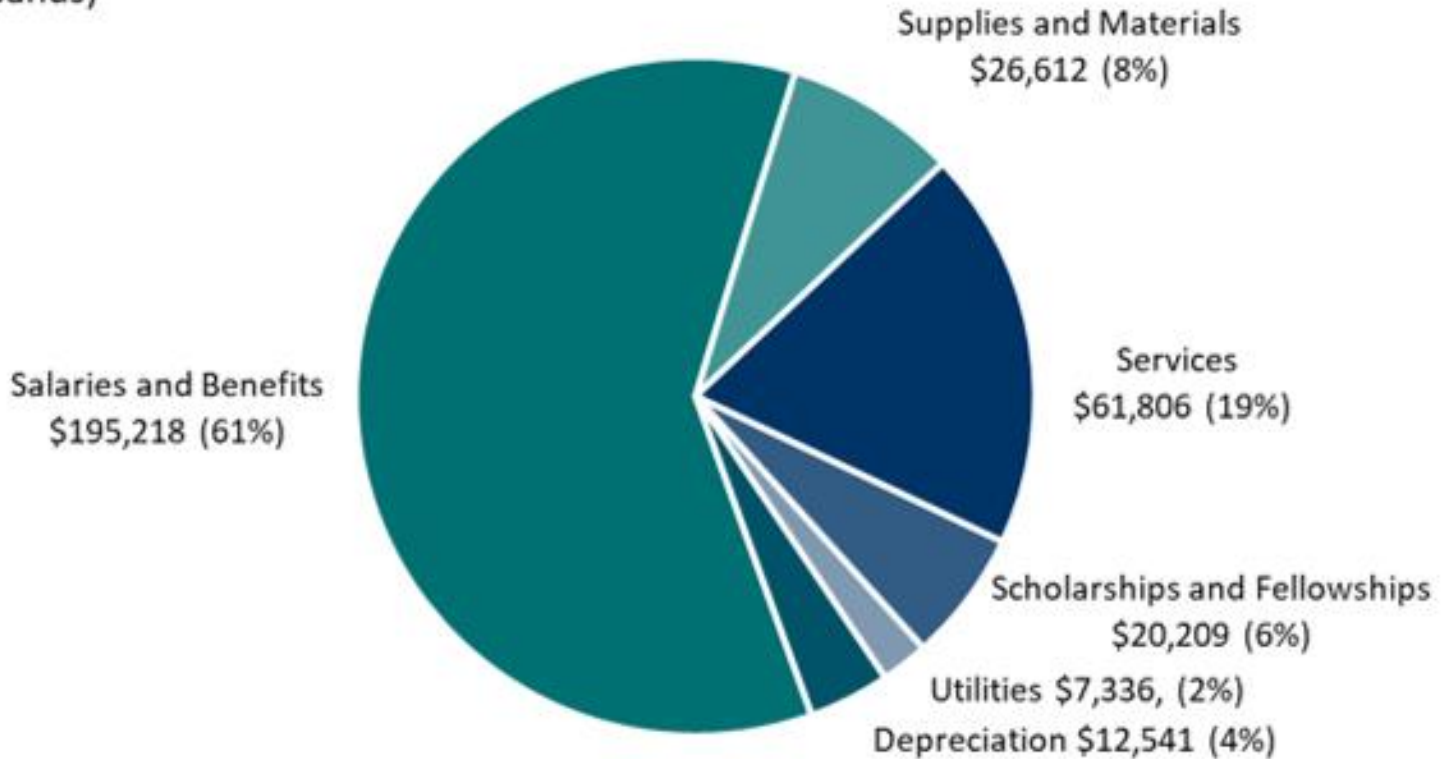
**2018 Revenue by Source \$366,610**  
(\$ Thousands)





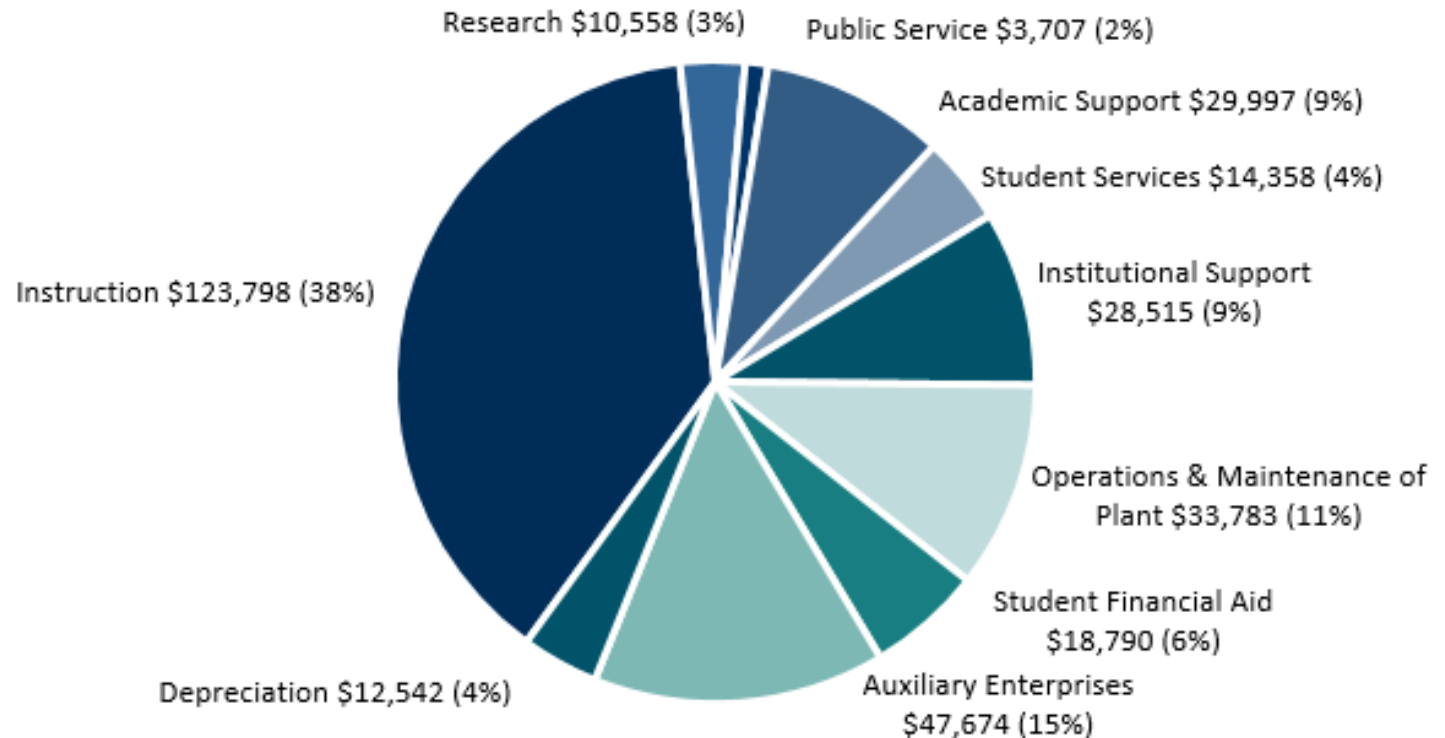
# Total Expenses by Nature

2018 Operating Expense by Nature \$323,722  
(\$ Thousands)



# Total Expenses by Function

**2018 Operating Expense by Function \$323,722**  
(\$ Thousands)



# Financial Statement Audit Report

- Office of State Auditor financial statement audit link:

<http://www.ncauditor.net/EpsWeb/Reports/Financial/FIN-2018-6060.pdf>



The screenshot shows the NCSOSA website interface. At the top, there is a navigation bar with links for Espanol, Home, www.NC.gov, Contact, FAQ, Jobs, and Employee Login. The main header features the NCSOSA logo (The Taxpayers' Watchdog) and the North Carolina Office of the State Auditor logo. A search bar is located on the right side of the header. Below the header is a menu bar with links for About Us, Audits/Reviews, Receive Reports, Clients, State Auditor Beth A. Wood, and Contact Us. The main content area is titled "Register to Receive an Email When a Report Is Published" and includes instructions for filling out the registration form. The form fields are: Email Address, Choose a password (7+ char), First Name, Last Name, and Business/Org. (optional). There are also links for "Clear this form." and "Register this new user."

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**QUESTIONS?**