

UNCW Financial Update

Presentation to the Board of Trustees
Business Affairs

January 28, 2021



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

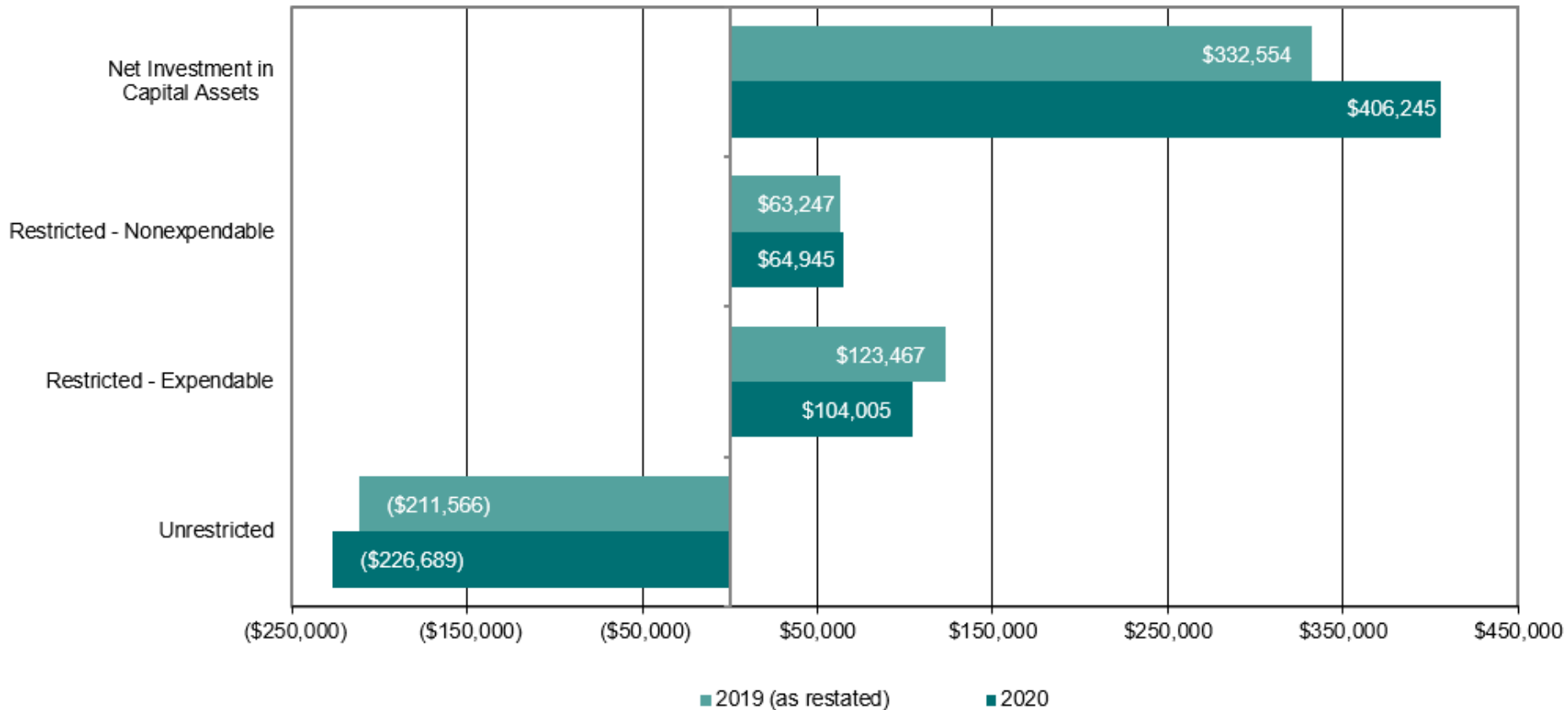
FY 2020 AUDITED STATEMENTS

FY 2020 Financial Highlights

- NC State Auditor issued unqualified opinion
- No management letter comments or findings
- No material weaknesses in internal control over financial reporting
- No significant changes in accounting policies/practices
- No significant difficulties encountered during audits
- No disagreements with management
- Auditors received UNCW's Management Representation Letters associated with the financial statements audited
- NC State Auditor communicated via memo to the Audit Committee Chair at the conclusion of the audit
- Continued growth in net position, \$40.8 million

Net Position Increased \$40.8 Million

2020 Net Position \$348,506 (\$ Thousands)



GASB 68 & 75 Effect on Total Net Position

\$ thousands	FY19	FY20
Net Position (as reported in the FY 20 Financials)	307,702	348,506
Add back:		
GASB 68 Impact - Pension	15,001	22,963
GASB 75 Impact - OPEB	314,687	305,329
Net Position Before GASB 68 & 75 Impact	\$637,390	\$676,798

2020 Change in Net Position

\$ thousands	FY 2018*	FY 2019*	FY 2020
Operating Loss			
Operating Revenues	\$175,984	\$177,022	\$180,354
Operating Expense	324,841	325,648	350,511
Total Operating Loss	(148,857)	(148,626)	(170,157)
Nonoperating Revenues	171,172	185,458	168,748
Income (Loss Before Other Revenues)	22,315	36,832	(1,409)
Other Revenues	10,751	65,556	42,213
Change in Net Position	33,066	102,388	40,804
Net Position July 1	172,248	205,313	307,701
Change in Net Position (above)	33,066	102,388	40,804
Net Position June 30	205,313	307,701	348,505
Change in Net Position (%)	19.20%	49.87%	13.26%

**Restated*

Hurricane Florence – Financial Statement Presentation

Capital Asset Impairments

	2020	2019	Total
Building Impairment - University Apartments	\$ -	\$ (984,788)	\$ (984,788)
Building Impairment - Dobo Hall	-	(10,663,140)	(10,663,140)
Insurance Recoveries - University Apartments	-	763,557	763,557
Insurance Recoveries - Dobo Hall	-	32,851,242	32,851,242
Net Gain related to Capital Asset Impairments	\$ -	\$ 21,966,871	\$ 21,966,871

Other Hurricane Expenses

	2020	2019	Total
Restoration of buildings and grounds	\$ (20,894,074)	\$ (52,431,186)	\$ (73,325,260)
Equipment replacements	(1,164,205)	(3,475,499)	(4,639,704)
Other incremental disaster-related operating costs	(159,800)	(1,771,926)	(1,931,726)
Total Disaster Costs	\$ (22,218,079)	\$ (57,678,611)	\$ (79,896,690)
Hurricane Florence Insurance Recoveries	\$ 7,879,333	\$ 31,226,266	\$ 39,105,599
Net Loss related to Other Hurricane Losses	\$ (14,338,746)	\$ (26,452,345)	\$ (40,791,091)
Total Net Loss before additional revenue sources	\$ (14,338,746)	\$ (4,485,474)	\$ (18,824,220)

Hurricane Florence – Financial Statement Presentation (continued)

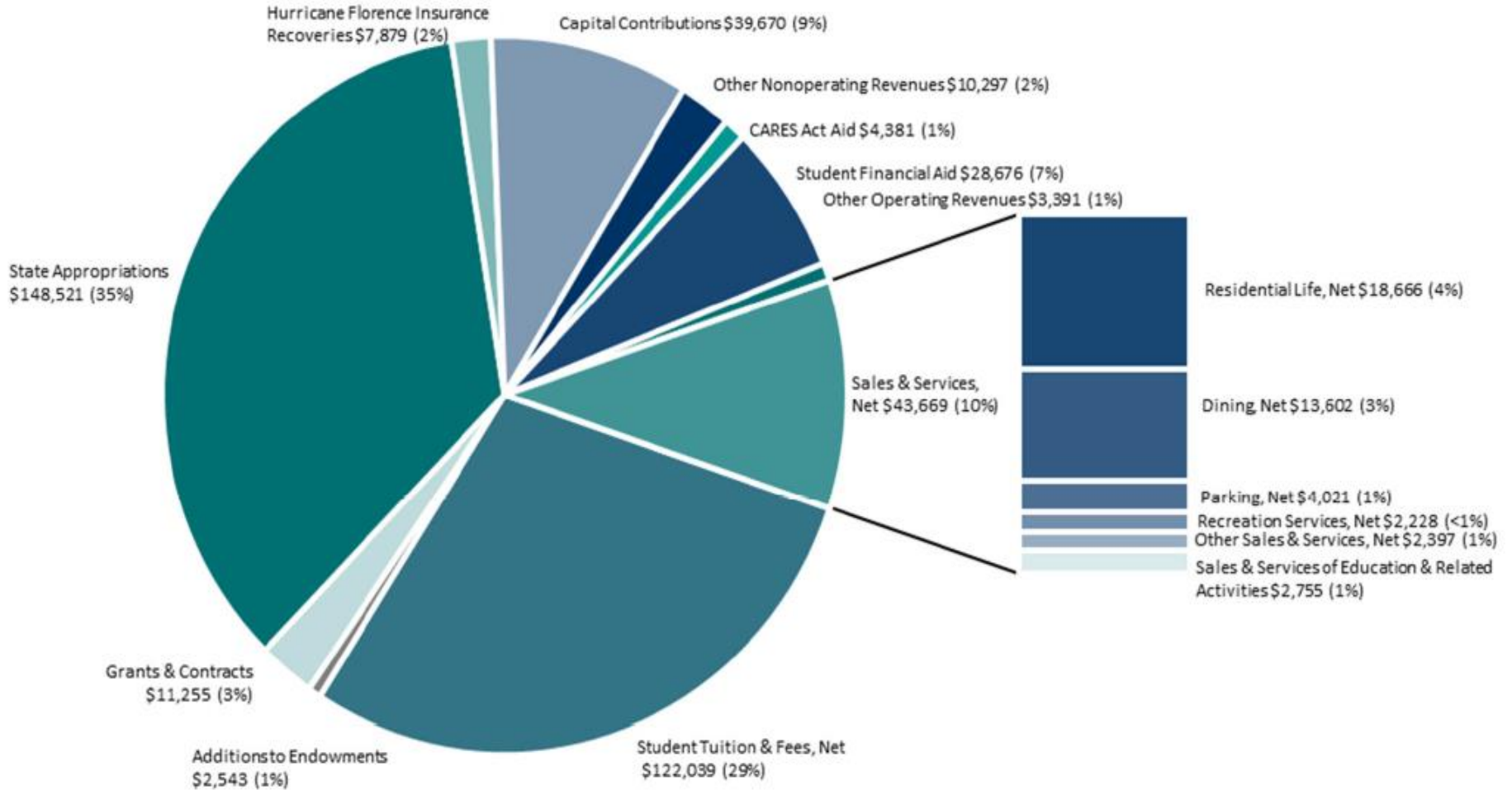
Additional Revenue Sources			
	<u>2020</u>	<u>2019</u>	<u>Total</u>
Capital Contributions (Hurricane Florence Disaster Relief)	\$ 8,000,000	\$ 27,215,501	\$ 35,215,501
Noncapital Contributions (FEMA)	1,444,598	453,608	1,898,206
Total Additional Revenue	<u>\$ 9,444,598</u>	<u>\$ 27,669,109</u>	<u>\$ 37,113,707</u>

Capital Expenditures (included in Construction in Progress)

	<u>2020</u>	<u>2019</u>	<u>Total</u>
Dobo Hall Restoration	\$ (43,424,151)	\$ (3,913,733)	\$ (47,337,884)

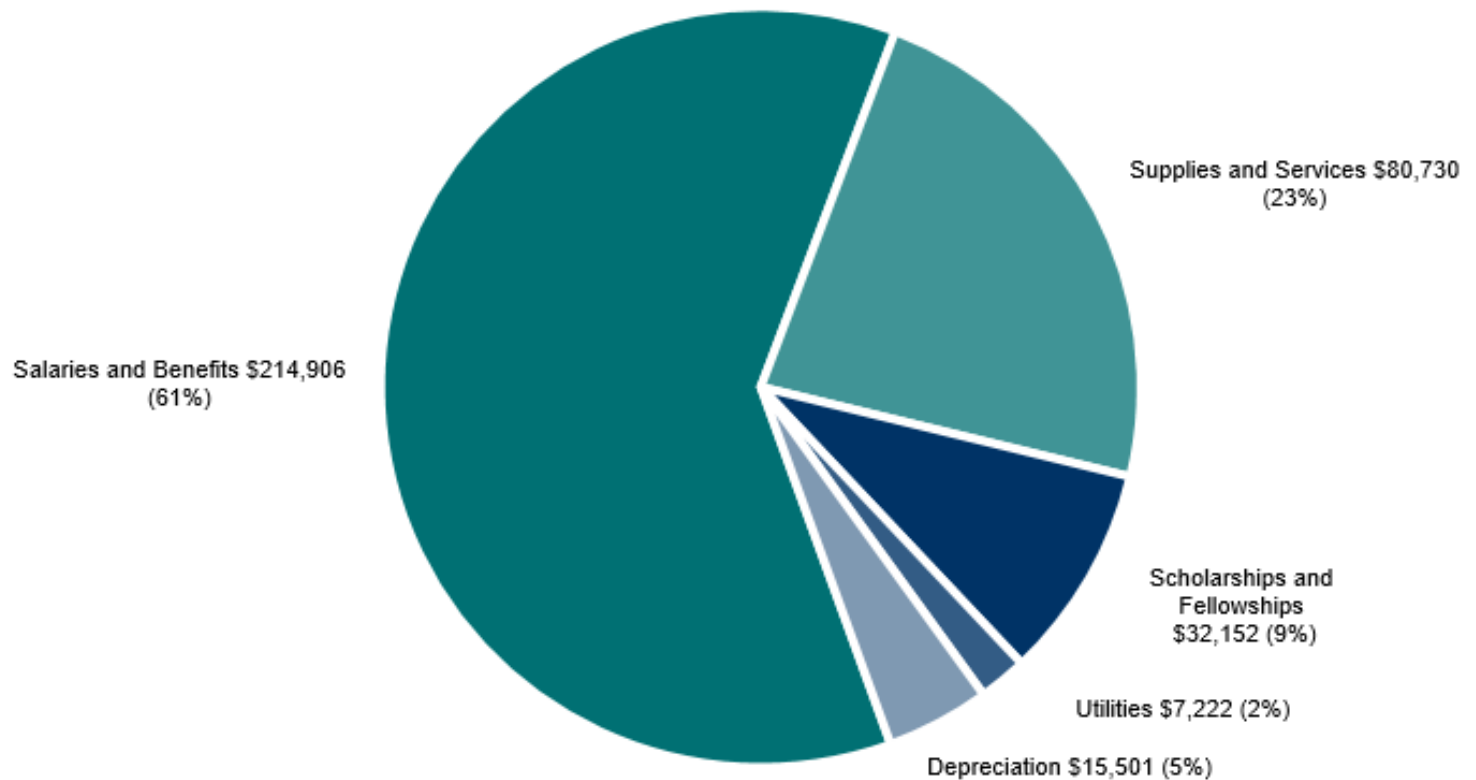
Diverse Revenue Sources

2020 Revenue by Source \$422,321
(\$ Thousands)



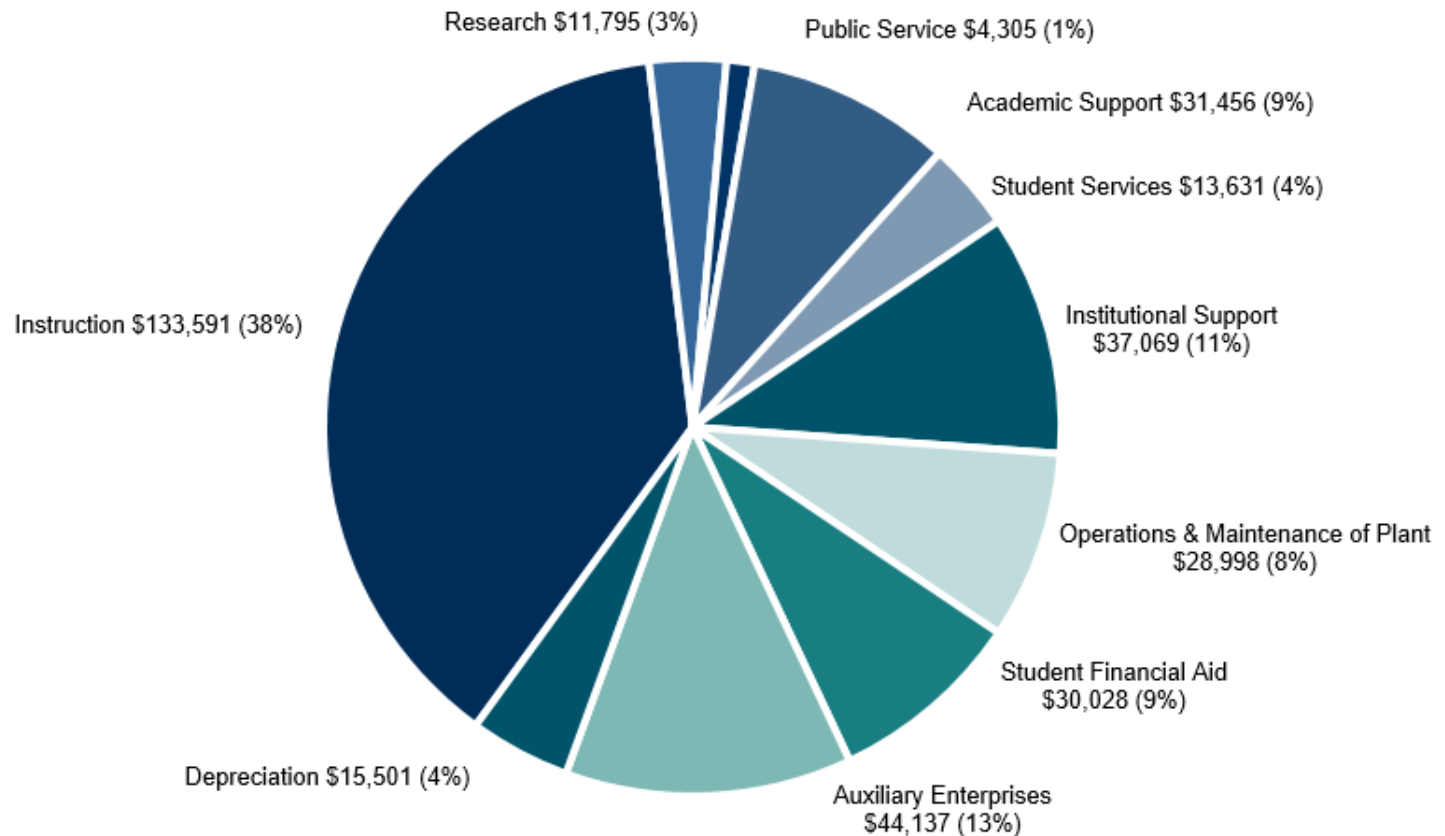
Total Operating Expenses by Nature

2020 Operating Expense by Nature \$350,511
(\$ Thousands)



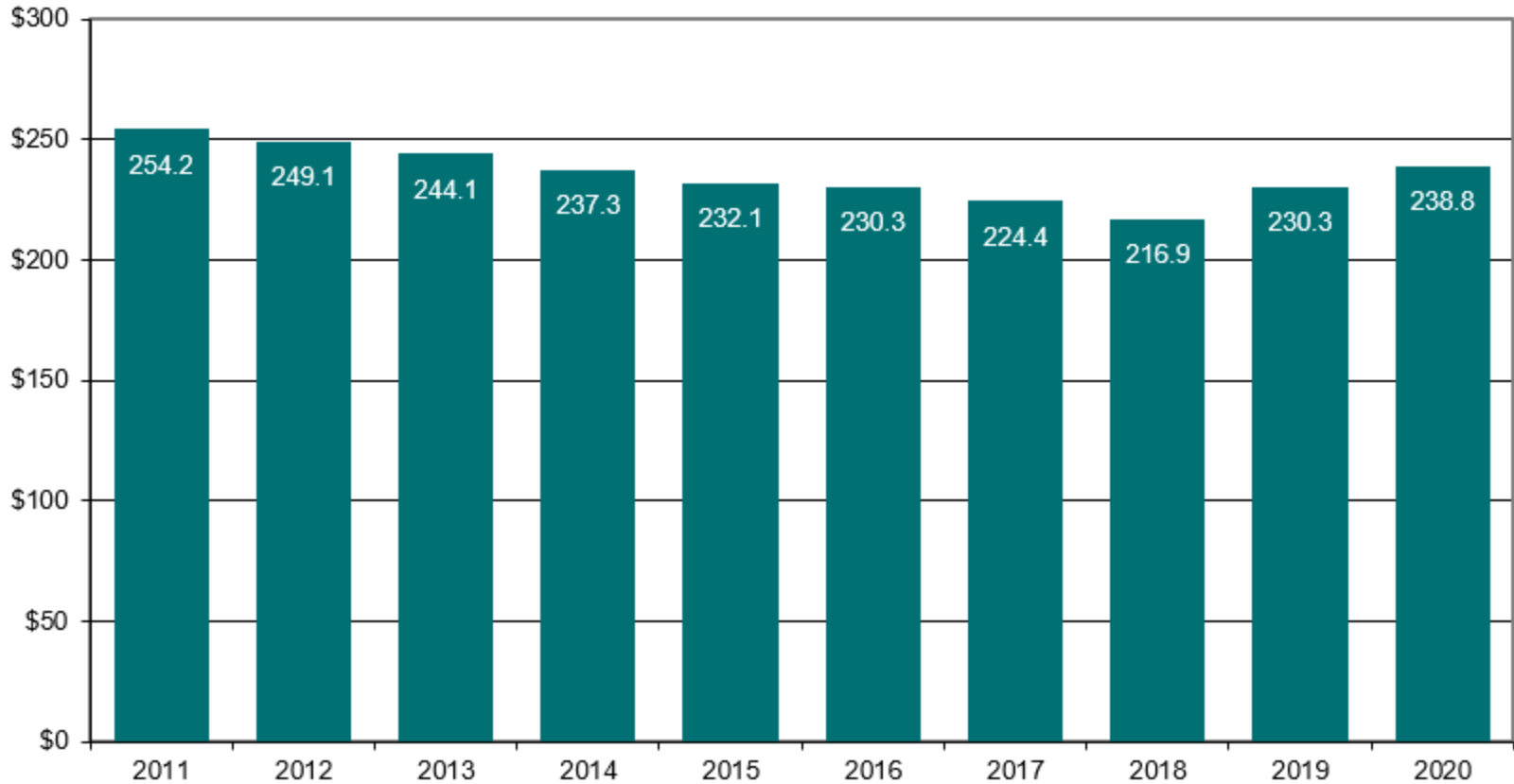
Total Operating Expenses by Function

2020 Operating Expense by Function \$350,511
(\$ Thousands)



Debt Summary 2011-20

(\$ Millions)



COVID-19

Summary of State and Federal Aid

Program	Total Authorized Award	Amount Spent as of 6/30/2020
State Aid - Coronavirus Relief Fund:		
CRF - UNC-BOG Allocations	\$ 4,016,672	\$ -
Other Indirect Allocations	189,503	4,597
Total State Aid - Coronavirus Relief Fund	\$ 4,206,175	\$ 4,597
Federal Aid - COVID-19:		
HEERF - Student Allocation	\$ 5,283,027	\$ 4,376,550
HEERF - Institutional Allocation	5,283,026	-
Other Indirect Awards	107,923	-
Total Federal Aid - COVID-19	\$ 10,673,976	\$ 4,376,550
Total State and Federal Aid - COVID-19	\$ 14,880,151	\$ 4,381,147

Financial Statement Audit Report

- Office of State Auditor financial statement audit link:
<http://http://www.auditor.nc.gov/EpsWeb/Reports/Financial/FIN-2020-6060.pdf>



The screenshot shows the website for the North Carolina Office of the State Auditor. The header includes the logo for NCSOSA (The Taxpayers' Watchdog) and the text "NORTH CAROLINA Office of the State Auditor". A red arrow points to the "Receive Reports" link in the navigation menu. Below the navigation menu, there is a search bar and a "GO!" button. The main content area is titled "Register to Receive an Email When a Report Is Published" and contains a registration form with the following fields:

HOME >> Receive Reports >> Subscribe (Register to Receive Reports)

Register to Receive an Email When a Report Is Published

Please fill in your **email address**, a chosen **password**, **first name**, **last name**, and **business/organization**.
Your email address and password can then be used to log in and subscribe to reports and publications.

Email Address:

Choose a password (7+ char):

First Name:

Last Name:

Business/Org. (optional):

[Clear this form.](#)