

# UNCW Housing Financial Update

Presentation to the Board of Trustees

April 2017



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

# Housing Data

- Timing of the housing master plan aligns with the request at the last BAC meeting to share more information about our auxiliaries
  - Housing will be presented this meeting and other auxiliaries will be discussed at subsequent meetings
- Operational data for 2015-2016 academic year
  - 45 residential buildings comprised of traditional, pod, suite, and apartment style rooms with 4,147 beds
  - 95.5% average occupancy for all housing
  - Average rates range from \$5,046 to \$6,954

# Strategic Decisions

- Last housing expansion supported strategic decision to increase students living on campus from 20% to 40%
- Accomplished in 3 phases with development of Seahawk Village, Seahawk Landing and Seahawk Crossing through issuance of debt of \$113M
  - Debt funded by student housing rents
  - Strategy has proven successful
    - Strong financial results and healthy fund balances
    - High student retention
    - Supports student academic success

# FY2016 Housing Financial Results

- Annual financial audit includes housing revenues and expenses
  - Financial audit prepared on accrual basis
  - Residential Life generated 7% of operating revenues and 5% of operating expenses in FY16
- During the year, Residential Life manages revenues and expenses on cash basis

<i>Reconciliation of Change in Net Position</i>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Revenues	\$ 25,765,118	\$ 25,956,966	\$ 25,259,131
Less: Total Expenses	23,928,170	22,782,992	21,658,973
<b>Increase in Net Position</b>	<b><u>\$ 1,836,948</u></b>	<b><u>\$ 3,173,974</u></b>	<b><u>\$ 3,600,158</u></b>

*Condensed Statements of Revenues and Expenses for Housing and Residence Life  
For Year Ended June 30, as indicated  
Reported on Cash Basis*

Operating Revenues	<u>2016</u>		<u>2015</u>		<u>2014</u>	
<i>Housing Rents</i>	\$ 24,584,092	95.4%	\$ 24,945,709	96.1%	\$ 24,056,836	95.2%
<i>Application Fees</i>	511,435	2.0%	643,254	2.5%	684,379	2.7%
<i>Housing Special Events</i>	208,377	0.8%	237,379	0.9%	235,174	0.9%
<i>Fines and Charges</i>	163,890	0.6%	41,186	0.2%	46,195	0.2%
<i>Other Auxiliary Revenue</i>	297,324	1.2%	89,438	0.3%	236,547	0.9%
<b>Total Operating Revenues</b>	<b>25,765,118</b>	<b>100%</b>	<b>25,956,966</b>	<b>100%</b>	<b>25,259,131</b>	<b>100%</b>
<b>Operating Expenses</b>						
<i>Salaries and Benefits</i>	2,740,205	17.6%	2,692,078	18.7%	2,687,323	20.2%
<i>Purchased &amp; Contracted Services</i>	4,818,359	30.9%	4,231,793	29.4%	4,054,293	30.4%
<i>Utilities &amp; Supplies</i>	1,864,559	11.9%	1,812,373	12.6%	1,815,079	13.6%
<i>Capital Improve &amp; Other Expenses</i>	2,793,354	17.9%	2,376,179	16.5%	1,677,012	12.6%
<i>Intra Transfer</i>	3,393,269	21.7%	3,280,510	22.8%	3,099,234	23.2%
<b>Total Operating Expenses</b>	<b>15,609,746</b>	<b>100%</b>	<b>14,392,933</b>	<b>100%</b>	<b>13,332,941</b>	<b>100%</b>
<b>Net Operating Position</b>	<b>10,155,372</b>	<b>39.4% *</b>	<b>11,564,033</b>	<b>44.6% *</b>	<b>11,926,190</b>	<b>47.2% *</b>
Less: Total Debt Service	8,318,424	32.3% *	8,390,059	32.3% *	8,326,032	33.0% *
<b>Increase in Net Position</b>	<b>1,836,948</b>	<b>7.1% *</b>	<b>3,173,974</b>	<b>12.2% *</b>	<b>3,600,158</b>	<b>14.3% *</b>
<b>Net Position - Beginning of Year</b>	<b>19,988,092</b>		<b>16,814,118</b>		<b>13,213,960</b>	
<b>Net Position - End of Year</b>	<b>\$ 21,825,040</b>		<b>\$ 19,988,092</b>		<b>\$ 16,814,118</b>	

\* % of total operating revenues

# Proposed Housing Plan Financial Projection

## *Reported on Cash Basis*

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Operating Revenues	26,618,627	27,389,714	28,183,934	29,001,981	31,470,651	37,518,323	39,105,471	43,579,955	44,858,644
Operating Expenses	12,745,687	13,128,058	13,521,899	13,927,556	15,124,446	17,318,082	17,837,624	19,540,380	20,126,591
Net Operating Position	13,872,940	14,261,656	14,662,035	15,074,425	16,346,205	20,200,241	21,267,847	24,039,575	24,732,053
Less: Total Debt Service	8,911,266	9,183,381	9,213,191	9,560,589	13,223,313	17,113,405	18,030,625	19,171,432	19,170,033
Net Operating Position After Debt Service	4,961,673	5,078,275	5,448,844	5,513,836	3,122,892	3,086,836	3,237,222	4,868,143	5,562,020
Less Repair & Renewal Costs	2,083,993	2,146,513	2,210,908	2,277,235	2,199,595	2,341,480	2,411,724	2,585,418	2,662,980
Less Master Plan Demolition Costs	-	-	-	-	950,358	978,868	-	-	-
Less Master Plan Renovation Costs	-	-	-	-	-	-	11,910,844	-	-
Increase (Decrease) in Net Position	2,877,680	2,931,762	3,237,935	3,236,601	(27,062)	(233,511)	(11,085,346)	2,282,725	2,899,040
Net Position - Beginning of Year	* 12,825,040	15,702,720	18,634,483	21,872,418	25,109,019	25,081,957	24,848,446	13,763,100	16,045,825
Net Position - End of Year	15,702,720	18,634,483	21,872,418	25,109,019	25,081,957	24,848,446	13,763,100	16,045,825	18,944,865

\* The 2016-2017 Beginning Fund Balance amount has been reduced to account for upcoming renovations (approx. \$9 million)