

UNCW Board of Trustees

VCBA Briefing



July 21, 2016



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

Moody's Debt Rating Upgrade

UNCW Upgrade & Credit Ratings

- Moody's Upgrade received May 18
 - General Revenue Debt Upgrade to Aa3, stable outlook from A1, positive
 - UNC Corporation LOBs and COPs Upgrade to A1 from A2
 - A1 assigned to new \$58 million LOBs
- \$224.7 million in total debt outstanding as of 6/30/15

General Revenue Bonds	
Moody's	S&P
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-

Non Investment Grade

Special Indebtedness (LOBs/COPs)	
Moody's	S&P
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-

Non Investment Grade

UNC Peers' Moody's General Revenue Ratings

UNC System Moody's General Revenue Ratings

Aaa	UNC Chapel Hill
Aa1	NC State
Aa2	ECU
Aa3	Appalachian State
	UNC Charlotte
	UNC Greensboro
	UNC Wilmington (<i>upgrade and stable outlook 5/2016; outlook rev to A1 positive 12/2013</i>)
	Western Carolina University (<i>stable outlook 12/2013; negative outlook 7/2011</i>)
A1	UNC Asheville
	NC A&T
A3	NC Central (<i>stable outlook 4/2016; negative outlook 8/2015; downgrade 8/2011</i>)
	Winston-Salem State University (<i>stable outlook 3/2016; negative outlook 7/2014</i>)
Baa1	Elizabeth City State University (<i>downgrade 11/2015; negative outlook 10/2013</i>)
Not Rated	Fayetteville State University
	UNC Pembroke

2008 COPs Refunding

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- In July, UNCW advance refunded 2008 Certificates of Participation (COPs) for student housing and parking projects with Limited Obligation Bonds (LOBs)
- Generated \$8.2 million gross savings to be received over the next 5 years for investment in strategic initiatives



FY 2016-17 Budget

FY 2016-17 Budget (Pending House Bill 1030)

As of July 7, 2016

• FY 2016-17 Base Budget (Appropriations)	\$111,322,890
• Reductions:	(\$2,237,922)
– Management Flexibility Reductions	
• Permanent (UNC System: \$41M)	(\$2,087,831)
• One-Time (UNC System \$3M)	(\$150,091)
• Increases:	\$11,984,229
– Enrollment Growth (appropriations only)	\$8,692,229
– Oyster hatchery allocation	\$500,000
– Permanent Salary Increases (1.5%)	\$1,664,000 (est.)
– One Time Bonuses (.5%)	\$555,000 (est.)
– EHRA One Time Merit Bonus (.75% -UNC System \$20M)	\$573,000 (est.)
• Revised FY 2016-17 Budget (Appropriations)	\$121,069,197
• Repairs & Renovations	\$1,800,000 (est.)