



First Quarter Financial Update, FY 2018

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Vice Chancellor for Fiscal Affairs

November 15, 2017



FY 2018 – First Quarter (July 1 – September 30)

- Board Policy Section 1.4 requires quarterly financial updates
- Monitor revenues and expenditures on a quarterly basis and review key financial trends data over a three-year period
 - Ensure the Board, the System Office and Institutions are aware of financial status
 - Identify any unanticipated changes or emerging trends in a timely manner
 - Increase the transparency of institutional finances
- Information certified by President and Chief Business Officer
- Recent enhancements to Quarterly Reporting

FY 2018 – First Quarter (July 1 – September 30)

- USG Fall 2017 enrollment up 1.1% fall over fall – 325,203 students
 - 6 institutions experienced a decline in excess of 4%
 - Institutions required to provide revised budget plans
- Advanced state appropriations to two schools to help manage cash flow
 - Enrollment declines and PPV obligations are major driver of cash challenges

First Quarter Amended Budget

Fund	Original Budget	1st Quarter Amended Budget Before Carry Forwards	Budgeted Carry Forward Funds	1st Quarter Amended Budget Including Carry Forwards
State Appropriations	\$2,305,085,976	\$2,305,085,976	\$2,700,782	\$2,307,786,758
Tuition	2,002,496,950	\$1,997,338,329	\$20,644,237	\$2,017,982,566
Special Institutional Fee	212,403,630	\$211,571,794	\$0	\$211,571,794
Other Revenues	452,849,374	\$458,837,843	\$90,370,519	\$549,208,362
Sponsored	2,196,414,243	\$2,359,707,579	\$0	\$2,359,707,579
Departmental Sales and Services	345,956,600	\$374,985,769	\$26,646,147	\$401,631,916
Capital	183,582,998	\$205,332,875	\$0	\$205,332,875
Auxiliary Enterprises	1,008,944,034	\$1,012,111,999	\$2,874,997	\$1,014,986,996
Student Activities	134,345,055	\$131,984,834	\$26,434,702	\$158,419,536
Total FY 2018 Budget	\$8,842,078,860	\$9,056,956,998	\$169,671,384	\$9,226,628,382

Amendment submitted and approved by OPB

Actual Revenues & Expenditures as of First Quarter, FY 2018

(July 1 – Sept 30)

	FY 2017 Final Budget	FY 2017 1st Qtr. Actuals		FY 2018 Amended Budget	FY 2018 1st Qtr. Actuals	
Revenues						
State Appropriations	\$ 2,160,290,030	\$ 542,735,461	25%	\$ 2,307,786,758	\$ 576,878,715	25%
Tuition	\$ 1,990,959,864	\$ 996,402,182	50%	\$ 2,017,982,566	\$ 1,027,048,654	51%
Sponsored	\$ 2,405,728,836	\$ 648,580,438	27%	\$ 2,359,707,579	\$ 628,087,761	27%
Dept. Sales & Services	\$ 433,858,744	\$ 82,056,322	19%	\$ 401,631,916	\$ 86,961,495	22%
Auxiliary Enterprises	\$ 1,016,162,190	\$ 391,446,244	39%	\$ 1,014,986,996	\$ 394,018,865	39%
Student Activities	\$ 166,799,377	\$ 61,576,491	37%	\$ 158,419,536	\$ 62,202,504	39%
Other Funds	\$ 1,133,716,018	\$ 250,055,747	22%	\$ 966,113,031	\$ 289,303,681	30%
Total Revenues	\$ 9,307,515,059	\$ 2,972,852,885	32%	\$ 9,226,628,382	\$ 3,064,501,674	33%

Actual Revenues & Expenditures as of First Quarter, FY 2018 (July 1 – Sept 30)

	FY 2017 Final Budget	FY 2017 1st Qtr. Actuals		FY 2018 Amended Budget	FY 2018 1st Qtr. Actuals	
Total Revenues	\$ 9,307,515,059	\$ 2,972,852,885	32%	\$ 9,226,628,382	\$ 3,064,501,674	33%
Expenditures						
Salaries and Wages	\$ 5,003,280,410	\$ 1,136,478,195	23%	\$ 5,202,061,459	\$ 1,157,065,596	22%
Operating Expenses	\$ 4,304,234,649	\$ 890,791,201	21%	\$ 4,024,566,923	\$ 905,402,011	22%
Total Expenditures	\$ 9,307,515,059	\$ 2,027,269,396	22%	\$ 9,226,628,382	\$ 2,062,467,607	22%
Revenues in Excess of Expenditures	\$ -	\$ 945,583,488		\$ -	\$ 1,002,034,067	

Key Financial Trends as of September 30,

<u>Select Balance Sheet Accounts</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2 YR % Change</u>
Cash and S-T Investments	\$ 1,644,607,918	\$ 1,781,201,216	\$ 1,764,285,424	-0.9%
Student Receivables	\$ 70,331,175	\$ 76,250,589	\$ 83,109,787	9.0%
Federal Receivables	\$ 95,146,907	\$ 91,357,628	\$ 110,017,388	20.4%
Other Receivables	\$ 1,294,584,518	\$ 1,390,510,075	\$ 1,532,116,921	10.2%
Current Liabilities	\$ (196,087,682)	\$ (202,547,913)	\$ (230,194,929)	13.6%
L-T Lease Purchase Obligations	\$(3,234,360,795)	\$(3,131,720,027)	\$(2,933,404,927)	-6.3%



Proposed Federal Tax Reform Bill





Proposed Federal Tax Reform Bill

“U.S. House Representatives released proposed legislation, H.R. 1 – November 2, 2017”

Termination of Private Activity Bonds

- All Private Activity Bonds “PABs” are eliminated (includes bonds benefitting 501c(3) nonprofit organizations)
- Proposed legislation prohibits both tax exempt new money and refinancing
- Termination applies to bonds issued after Dec. 31, 2017
- **SENATE VERSION:** Does not eliminate or make any changes to private activity bonds. May continue to issue tax-exempt bonds

• Repeal of Advance Refunding Bonds

- Future advance refundings of all types of bonds (including governmental use bonds) are prohibited. (Tax-exempt refunding must be done within 90-days of call date).
- Repeal applies to bonds issued after Dec. 31, 2017.





Proposed Federal Tax Reform Bill

- Past refundings between 2013 and 2018 to date – Savings of \$187 million
- Three (3) refundings scheduled to close before December 2017 - ~35M
– South Georgia, Clayton State and University of North Georgia
- About one-third of the current outstanding debt could benefit from advanced refundings



Committee on Finance and Business Operations

November 15, 2017

