

# Unrestricted Net Position FY 2020-21

November 5, 2021

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University of Colorado

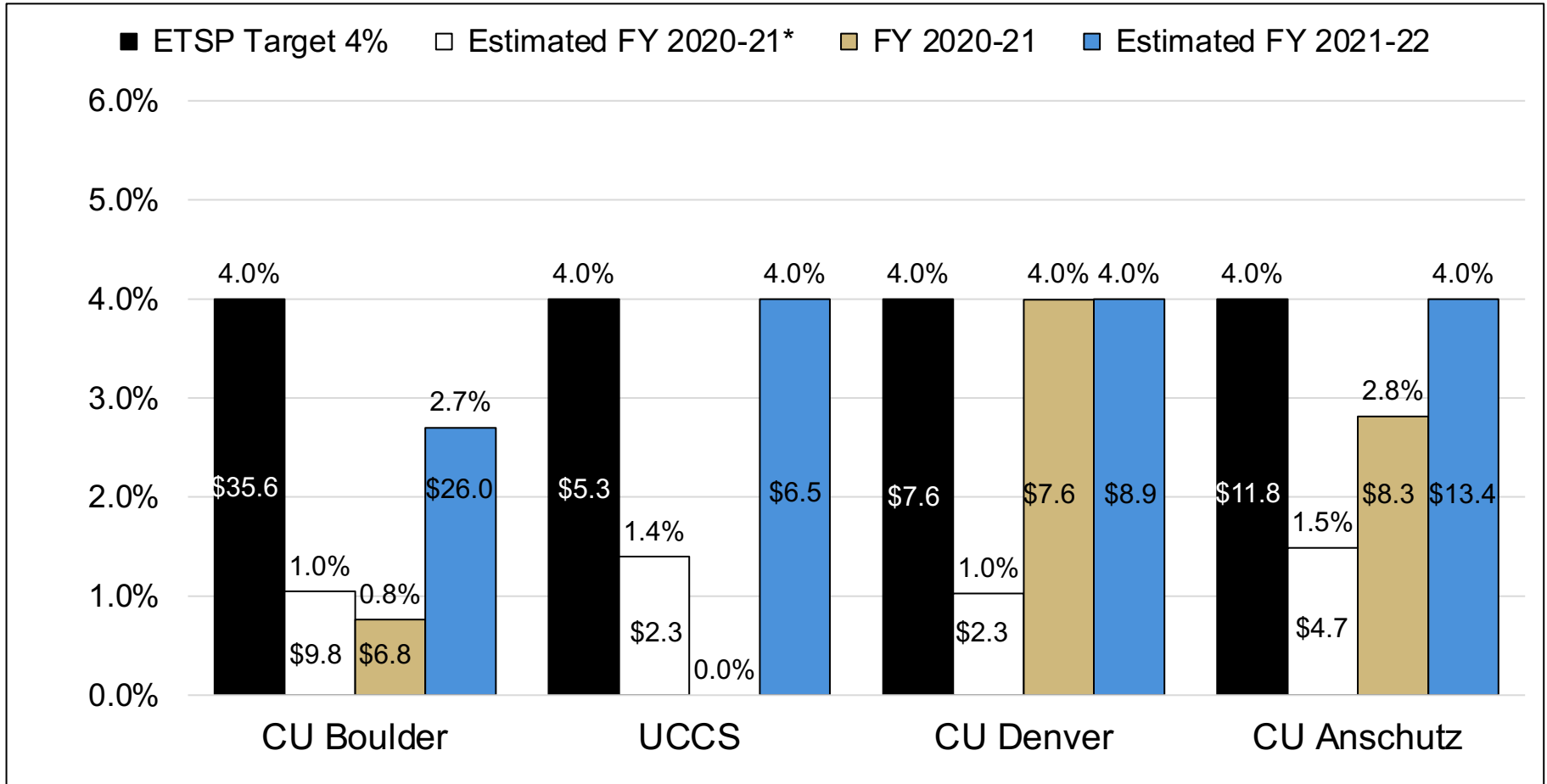
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# Transparent Financial Reporting

- The university implemented an Administrative Policy Statement (APS) outlining the reporting requirements regarding variances, carry-forwards, transfers, and fund balances.
- In addition to the items above, the Primary Reserve Ratio is one of the ways we monitor the financial health of the system and campuses.
- Each campus developed fund balance policies in 2014 that include information on the appropriate use of fund balances and transfers. Highlights include:
  - Fund Balances must have a spending plan in place.
  - Transfers of unspent operating funds to plant funds are held there until approved for spending.



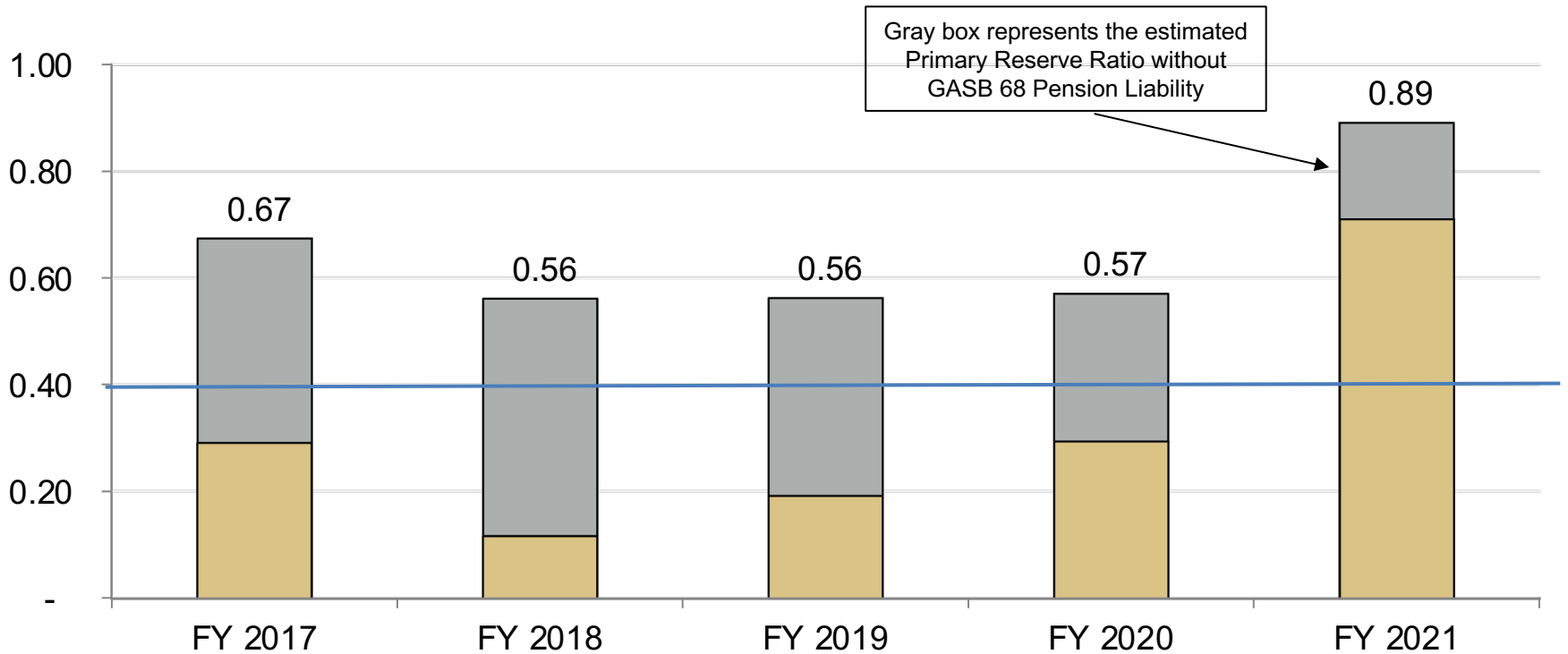
# Emergency Tuition Stabilization Plan Status



\* Estimated FY 2020-21 as of November 2020

(Dollar Amounts are in millions)

# Financial Health, CU System-wide Primary Reserve Ratio



This ratio addresses whether financial asset performance supports the strategic direction by measuring the number of years an entity could pay its expenses without relying on additional net assets. A ratio of 0.40 or better is necessary to give institutions the financial flexibility for positive transformation.



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# CU Boulder

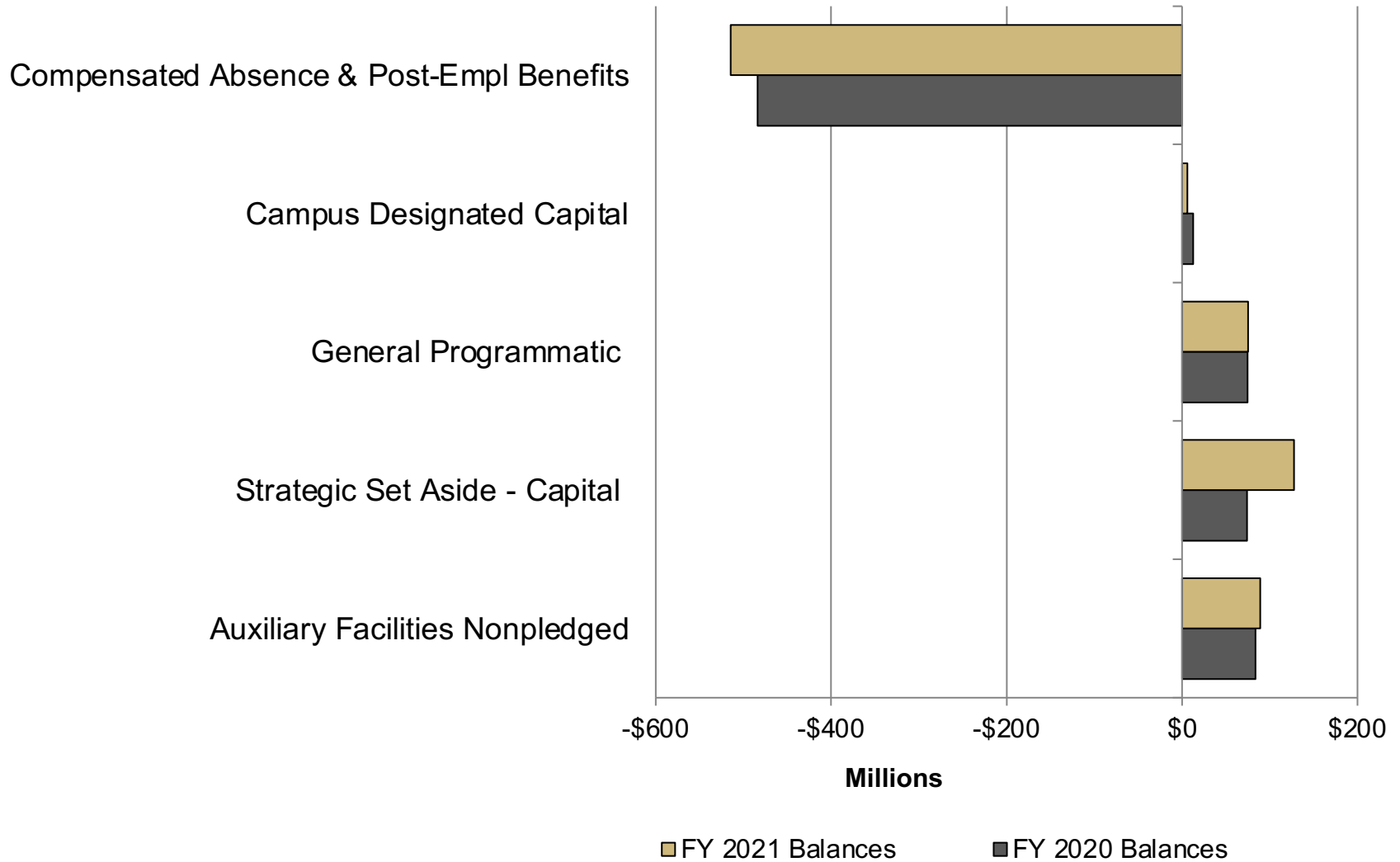
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# Overview of Fund Balances, Boulder



# Overview of Fund Balances, Boulder

- Compensated Absence and Post Employment Benefits (-\$514.9 million) will continue to increase due to actuarial calculation and cost allocation methodology.
- General Programmatic (\$75.1 million) includes funds held for investments in strategic initiatives, such as student success, classroom technology updates, information technology infrastructure, COVID-19 needs, and Emergency Tuition Stabilization Plan.
- Obligated Capital in Progress (\$34.9 million) includes funds set aside for campus debt reserve requirement and other small projects.
- Strategic Set Aside Capital (\$127.7 million) is dedicated to addressing deferred maintenance and future infrastructure needs. The specific uses will be informed by campus master planning processes. These monies may be reallocated to address COVID-related costs as necessary for FY 2021-22 and beyond.



# Planning Highlights, Boulder

Significant expenditures planned from reserves include:

- Ongoing COVID related needs in academic technology, classrooms and infrastructure
- Increased focus on addressing deferred maintenance
- Engineering North Wing and North Tower renovation
- Colorado Shared Instrumentation in Nanofabrication and Characterization lab and Jennie Smoly Caruthers Biotechnology Building projects
- Hellems and Mary Rippon Theatre Phase I renovations
- Restoration of ETSP funding





# CU Denver | Anschutz

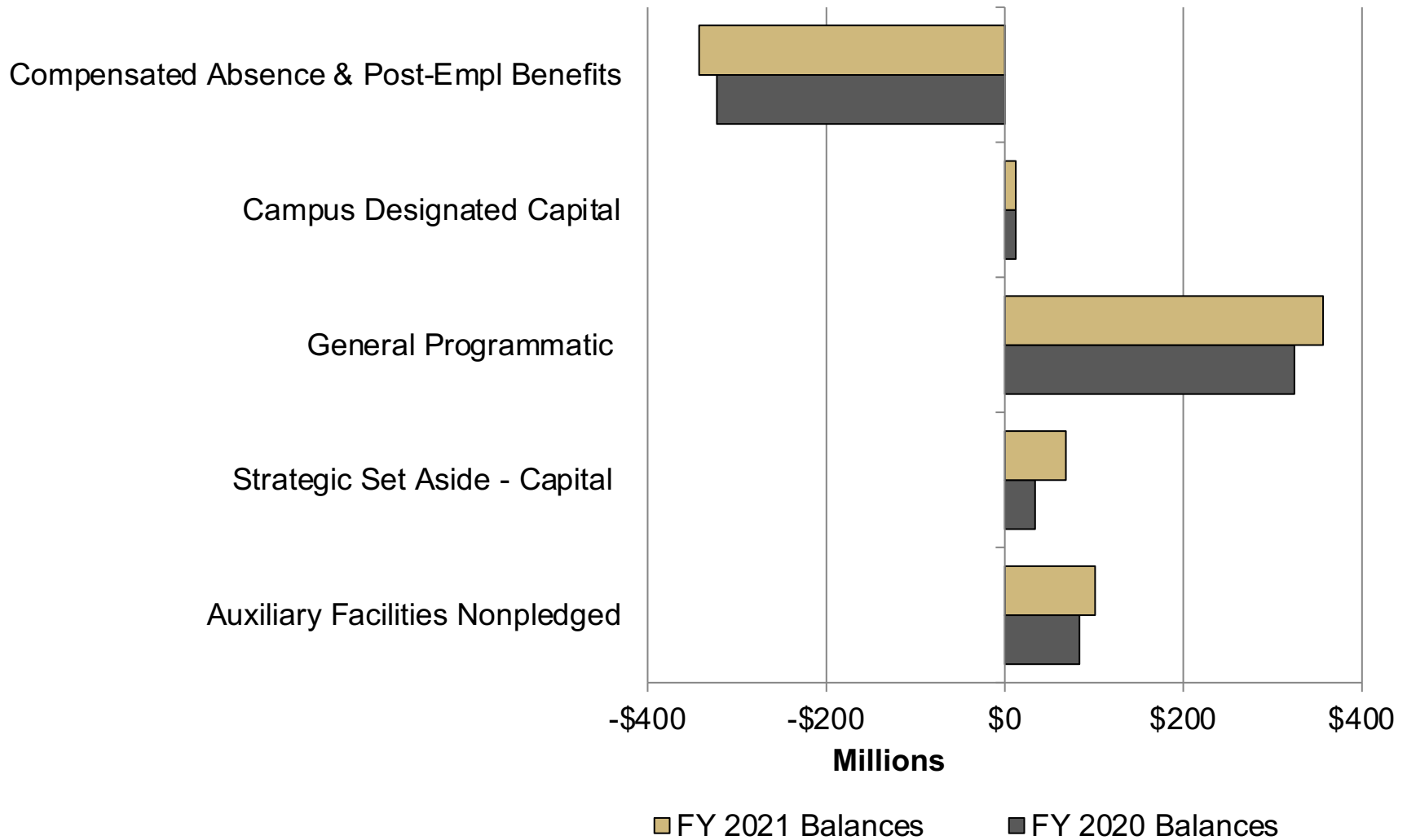
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# Overview of Fund Balances, Denver | Anschutz



# Overview of Fund Balances, Denver | Anschutz

- Campus Designated Capital (\$12.2 million) includes equipment, City Heights reserve, and technology initiatives.
- General Programmatic includes:
  - Administration balances are for unplanned emergency repairs, technology replacement, seed funding for new campus initiatives, tuition stabilization resources, and online education initiatives.
  - Academic unit operating contingencies to cover tenured faculty, innovation initiatives, and bridge funding between grants.
- Obligated Capital In Progress (\$53.2 million) includes future building planning resources, renovation funds, and debt service obligations.
- Strategic Set Aside – Capital (\$68.3 million) includes planning for deferred maintenance, emergency building renewals, and IT infrastructure expansion and replacement.
- Faculty Start-Up and Research Initiatives (\$40.2 million) includes recruitment and start-up funding for equipment and supplies to set up laboratory and research programs.



# Planning Highlights, Denver Campus

Expenditures planned from reserves include:

- Technology infrastructure maintenance, renewal, and replacement
- Facilities approved deferred maintenance projects
- Start-up packages and research initiatives
- Equipment maintenance and replacement
- Reserve for possible ongoing impact of COVID-19
- City Heights continuing support
- Restoration of ETSP Funding



# Planning Highlights, Anschutz Medical Campus

Significant expenditures planned from reserves include:

- Continued construction of the Anschutz Health Sciences Building
- Lab expansion, renewal and replacement projects
- Pharmacy Building Debt Service
- Facilities approved deferred maintenance projects
- Technology infrastructure maintenance, renewal, and replacement
- CU Innovations Initiatives
- Faculty recruitment, start-up packages and research initiatives
- Reserve for impact of COVID-19



# Colorado Springs

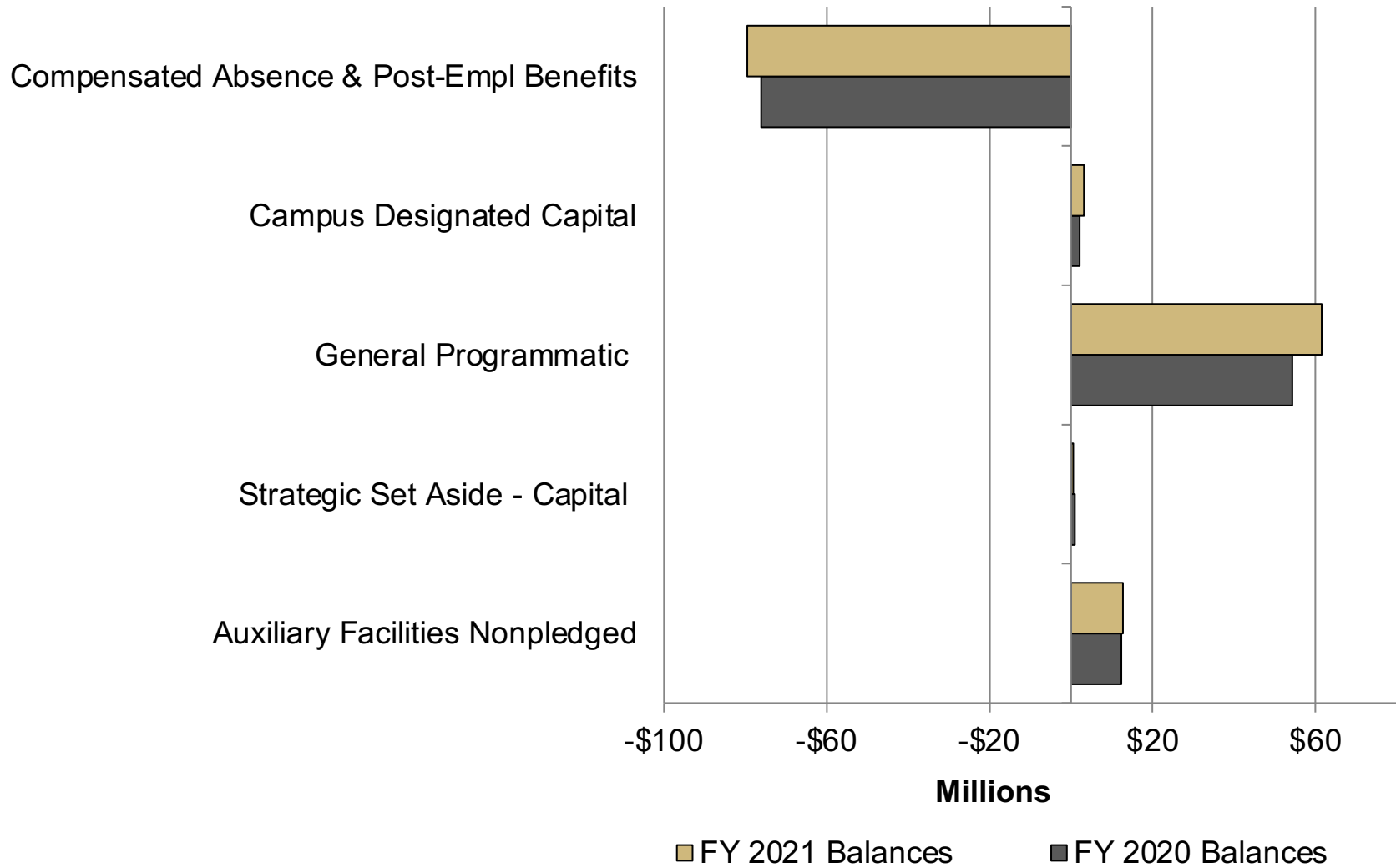
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# Overview of Fund Balances, Colorado Springs



# Overview of Fund Balances, Colorado Springs

- General Programmatic (\$61.6 million) includes additional FY 2020-21 tuition revenue received over original lowered enrollment projections due to COVID.
- Accounts Receivable's (\$33.7 million) increase is due accounting entries for HEERF funding.
- Compensated Absences and Post-employment benefits (-\$79.5 million) reflects an increase liability for vacation and sick time, rates, and number of retirees.
- Obligated Capital In-Progress (\$9.5 million) includes an adjustment made for the Colorado Springs Urban Renewal Authority partnership.





# Planning Highlights, Colorado Springs

Significant expenditures planned from reserves include:

- UCCS will use reserves to recover the ETSP
- UCCS paid off student balances and plans to cover additional student aid for students in need
- The initial costs for CRM will be covered from our reserves
- Planned “hold harmless” budget variances in parallel year in new budget model



# System Administration

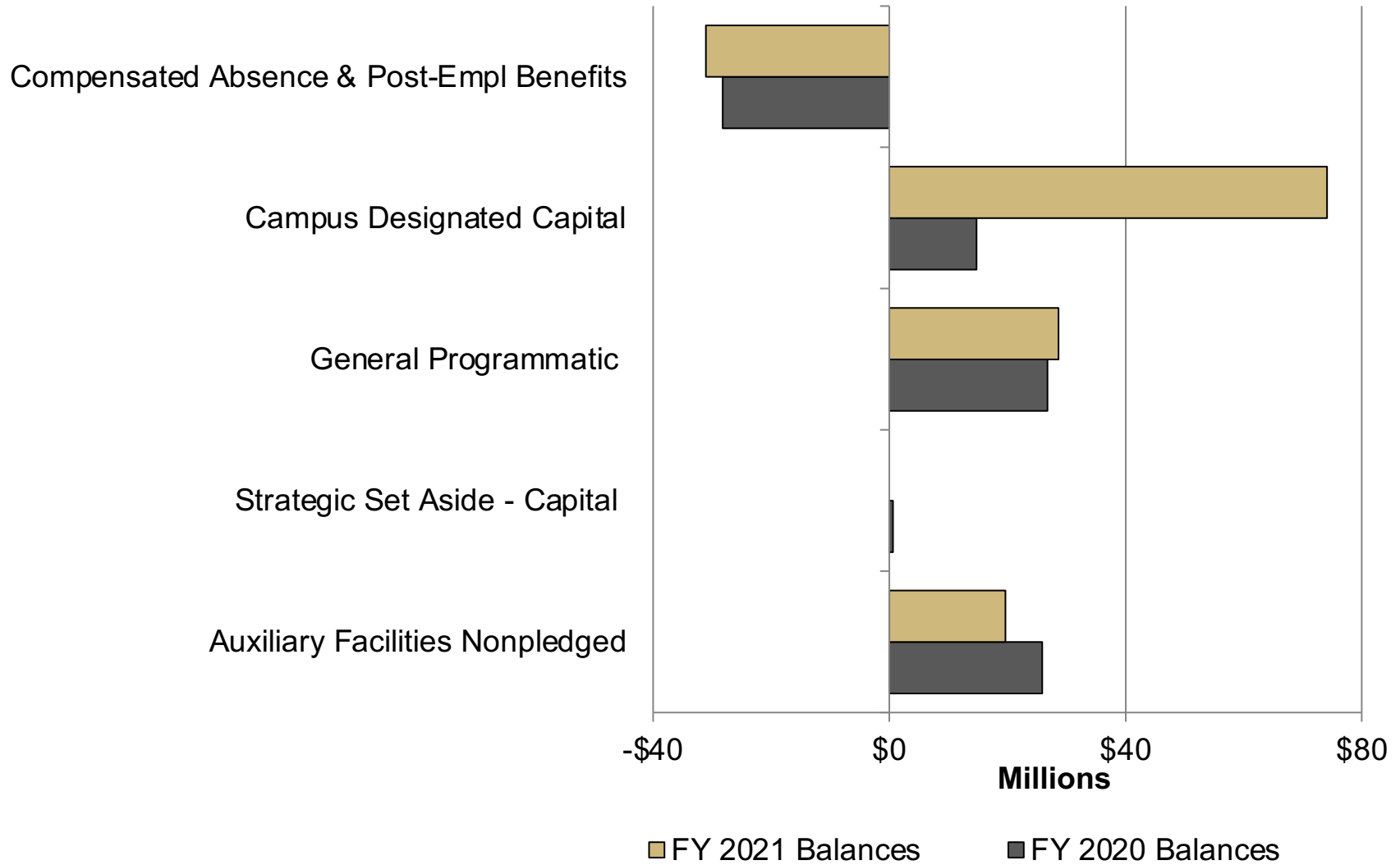
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# Overview of Fund Balances, System Administration



# Overview of Fund Balances, System Administration

- Compensated Absence and Post Employment Benefits (\$31.0 million) continue to increase due to personnel changes.
- Increase in Campus Designated Capital (\$74.2 million) to accommodate future initiative costs.
- Increase in General Programmatic (\$28.6 million) balances reflects System Administration's intentional reduction in expenses in FY 2020-21.
- Auxiliary Facility Nonpledged (\$19.6 million) balances help absorb revenue fluctuations during economic downturns.



# Planning Highlights, System Administration

Significant expenditures planned from reserves include:

- UCCS and CU Denver Enrollment Management
- IT initiatives that support Data Governance and Cybersecurity for campuses
- UCCS Retention and Equity Gap
- Innovation efforts that cross campuses (CU Next)
- Campus deferred maintenance and capital renewal projects

