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Financial Analysis of Unrestricted Annual Operations

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Financial Analysis of Unrestricted Annual Operations

**FY2014 Forecast
as of
10/31/2013**

**UNIVERSITY OF MAINE SYSTEM
UNRESTRICTED ANNUAL OPERATIONS
FY2014 1st Financial Forecast**

As of October 31, 2013 the UMS is forecasting an unrestricted operating increase of \$167 thousand for FY2014. It should be noted, however, that this includes the current \$334 thousand in temporary investment income above budget.

Institution	Net Increase (Decrease)
UMaine	\$1.329 Million
UMA	(570) Thousand
UMF	197 Thousand
UMFK	1 Thousand
UMM	(575) Thousand
UMPI	(549) Thousand
USM	0
System-wide Services	0
Temporary Investment Income	334 Thousand
Employee Benefits	0
TOTAL	\$ 167 Thousand

Major factors impacting this forecast:

- The temporary investment income budget is \$2.8 million. Based on information available as of October 31, UMS has realized total income of \$3.134 million net of expenses for a total budget-to-actual positive variance of \$334 thousand. This forecast reflects only the gain realized thus far and does not include any projections for future gains or losses.
- Average UMS FTE enrollments for Fall 2013 were 1.8% (414 FTE) below budget. Enrollments were above budget at UMaine (3.7% or 336 FTE) and UMFK (5.9% or 45 FTE) but below budget at the remaining 5 universities.
- Average residence hall occupancy for Fall 2013 was 0.7% (45 students) below budget. As with enrollments, residence hall occupancy was above budget at UMaine (6.1% or 204 students) and UMFK (3.8% or 8 students) but below budget at the remaining 4 universities.
- UMA, UMM, and UMPI are currently projecting year-end deficits resulting from lower enrollments. Campus expense budgets are being reduced to partially mitigate the loss of student revenues. UMA and UMPI have sufficient reserves to offset these deficits, if realized.
- Although USM is currently projecting to break even, it will be a real challenge to achieve the savings necessary to meet this forecast as enrollments are below budget. UMF has implemented its milestones plan to reduce saving in pre-determined areas and to defer the investment of \$1.2 million in capital project funding to offset the impact of reduced enrollments.
- As UMaine's enrollment grows, careful consideration is being given to the need for faculty hires in strategic and signature program areas, increased merit and need-based financial aid funding, as well as the continued funding need for admissions marketing in out-of-state regions for both undergraduate and graduate enrollment.

University of Maine System
FY2014 FTE ENROLLMENT

	FY2013 ACTUALS	FY2014 BUDGET	FY2014 ACTUALS	VARIANCE	
				#	%
Fall					
UMaine	9,041	9,020	9,356	336	3.7%
UMA	2,862	2,781	2,713	(68)	(2.4%)
UMF	1,896	1,891	1,807	(84)	(4.4%)
UMFK	779	760	805	45	5.9%
UMM	571	596	542	(54)	(9.1%)
UMPI	973	978	843	(135)	(13.8%)
USM	6,871	6,914	6,460	(454)	(6.6%)
Total	22,993	22,940	22,526	(414)	(1.8%)

University of Maine System
FY2014 RESIDENCE HALL OCCUPANCY

	FY2013 ACTUALS	FY2014 BUDGET	FY2014 ACTUALS	VARIANCE	
				#	%
Fall					
UMaine	3,348	3,348	3,552	204	6.1%
UMA	-	-	-	-	-%
UMF	947	1,000	902	(98)	(9.8%)
UMFK	225	210	218	8	3.8%
UMM	256	271	219	(52)	(19.2%)
UMPI	296	285	261	(24)	(8.4%)
USM	1,158	1,200	1,117	(83)	(6.9%)
Total	6,230	6,314	6,269	(45)	(0.7%)

University of Maine System
Unrestricted Annual Operations
FY2014 1st Period Forecast
(\$000's)

	FY13 (as of 10/31/12)			FY14 (as of 10/31/13)			Forecast to Budget		
	Annual	YTD	%	Annual	YTD	%	FY14	Variance	
	Base Budget	Actuals	Realized	Base Budget	Actuals	Realized	Forecast	\$	%
Revenues									
Tuition & Fee Revenue	\$265,727	\$136,791	51.5%	\$272,318	\$136,517	50.1%	\$268,063	(\$4,254)	(1.6%)
Dining & Residence Revenue	59,431	29,034	48.9%	60,977	30,203	49.5%	59,334	(1,643)	(2.7%)
Tuition Waivers/Scholarships	(50,434)	(26,801)	53.1%	(54,111)	(28,255)	52.2%	(56,007)	(1,896)	3.5%
Net Student Charges Revenue	274,724	139,023	50.6%	279,184	138,466	49.6%	271,390	(7,793)	(2.8%)
State Appropriation	178,695	59,982	33.6%	178,695	59,972	33.6%	178,695	0	0.0%
Other Income	67,436	32,968	48.9%	64,030	27,268	42.6%	64,821	791	1.2%
Total Revenues	\$520,855	\$231,973	44.5%	\$521,908	\$225,705	43.2%	\$514,906	(\$7,002)	(1.3%)
Expenses									
Compensation & Benefits	\$350,267	\$113,847	32.5%	\$353,647	\$111,537	31.5%	\$349,723	\$3,924	1.1%
Fuel & Electricity	22,540	3,958	17.6%	21,579	3,847	17.8%	22,393	(814)	(3.8%)
Supplies & Services	40,214	17,240	42.9%	36,971	14,647	39.6%	36,377	594	1.6%
Travel	4,940	1,976	40.0%	6,086	2,039	33.5%	6,036	50	0.8%
Memb., Contrib. & Sponsorships	1,803	1,025	56.8%	1,312	771	58.8%	1,316	(4)	(0.3%)
Interest Expense	7,665	7,664	100.0%	7,251	7,680	105.9%	7,521	(270)	(3.7%)
Depreciation	28,257	9,419	33.3%	30,670	10,250	33.4%	30,670	0	0.0%
Other Expenses/Transfers	73,126	24,913	34.1%	70,804	21,700	30.6%	69,824	980	1.4%
Total Expenses	\$528,812	\$180,042	34.0%	\$528,320	\$172,471	32.6%	\$523,860	\$4,460	0.8%
Operating Increase (Decrease)	(\$7,957)	\$51,931		(\$6,412)	\$53,234		(\$8,954)	(\$2,542)	
Modified Cash Flow									
Operating Increase (Decrease)	(\$7,957)	\$51,931		(\$6,412)	\$53,234		(\$8,954)	(\$2,542)	39.6%
Plus Depreciation	27,820	9,419	33.9%	30,670	10,250	33.4%	30,670	0	0.0%
Less Capital Expenditures & Reserve Funding	(11,357)	(2,405)	21.2%	(14,624)	(4,094)	28.0%	(12,380)	2,244	(15.3%)
Less Debt Service Principal	(9,208)	(9,178)	99.7%	(9,597)	(8,847)	92.2%	(9,169)	428	(4.5%)
Net Change in Cash	(\$702)	\$49,767		\$37	\$50,543		\$167	\$130	
Reserve Transfer - Tuition Mitigation	1,011	1,011	100.0%						
Adjusted Net Change	\$309	\$50,778							

University of Maine System
Unrestricted Annual Operations
FY2014 1st Period Forecast
(\$000's)

	FY13 (as of 10/31/12)			FY14 (as of 10/31/13)			FY14 Forecast	Forecast to Budget	
	Annual Base Budget	YTD Actuals	% Realized	Annual Base Budget	YTD Actuals	% Realized		Variance \$	%
Revenues									
UMaine	\$246,706	\$107,384	43.5%	\$248,862	\$110,147	44.3%	\$251,039	\$2,177	0.9%
UMA	38,119	16,879	44.3%	37,620	16,113	42.8%	36,856	(764)	(2.0%)
UMF	39,912	17,344	43.5%	39,013	16,512	42.3%	36,950	(2,063)	(5.3%)
UMFK	11,905	5,529	46.4%	11,925	5,601	47.0%	12,106	181	1.5%
UMM	10,874	4,471	41.1%	10,852	4,313	39.7%	10,076	(776)	(7.2%)
UMPI	15,979	7,315	45.8%	15,916	6,472	40.7%	14,827	(1,089)	(6.8%)
USM	138,101	61,004	44.2%	137,565	57,605	41.9%	132,523	(5,042)	(3.7%)
Temporary Investment Income	2,500	6,432	257.3%	2,800	3,174	113.4%	3,174	374	13.4%
System-wide Services	16,759	5,615	33.5%	17,355	5,768	33.2%	17,355	0	0.0%
Total Revenues	\$520,855	\$231,973	44.4%	\$521,908	\$225,705	43.8%	\$514,906	(\$7,002)	(1.3%)
Expenditures (includes capital expenditures utilizing operating funds & Tuition Mitigation)									
UMaine	\$246,706	\$84,599	34.0%	\$248,862	\$85,462	34.3%	\$249,710	(\$848)	(0.3%)
UMA	37,935	12,564	33.4%	37,602	12,056	32.1%	37,426	176	0.5%
UMF	39,871	13,177	33.8%	39,008	12,942	33.2%	36,753	2,255	5.8%
UMFK	11,904	4,410	37.0%	11,924	4,577	38.4%	12,105	(181)	(1.5%)
UMM	10,874	3,613	33.3%	10,852	3,605	33.2%	10,651	201	1.9%
UMPI	15,979	5,321	33.4%	15,916	5,330	33.5%	15,376	540	3.4%
USM	138,018	46,361	33.7%	137,552	44,656	32.5%	132,523	5,029	3.7%
Temporary Investment Income	2,500	2,354	84.1%	2,800	2,840	101.4%	2,840	(40)	(1.4%)
System-wide Services	16,759	9,920	57.2%	17,355	1,820	10.5%	17,355	0	0.0%
Employee Benefits	0	(1,124)	-	0	1,874	-	0	0	-
Total Expenditures	\$520,546	\$181,195	34.7%	\$521,871	\$175,162	34.0%	\$514,739	\$7,132	1.4%
Operating Increase (Decrease) & Tuition Mitigation Transfer									
UMaine	\$0	\$22,785		\$0	\$24,685		\$1,329	\$1,329	
UMA	184	4,315		18	4,057		(570)	(588)	
UMF	41	4,167		5	3,570		197	192	
UMFK	1	1,119		1	1,024		1	0	
UMM	0	858		0	708		(575)	(575)	
UMPI	0	1,994		0	1,142		(549)	(549)	
USM	83	14,643		13	12,949		0	(13)	
Temporary Investment Income	0	4,078		0	334		334	334	
System-wide Services	0	(4,305)		0	3,948		0	0	
Employee Benefits	0	1,124		0	(1,874)		0	0	
Operating Increase (Decrease)	\$309	\$50,778		\$37	\$50,543		\$167	\$130	