



Quarterly Status Update - FY 17 February  
 (Dollars in Millions)

| CHANGE IN NET POSITION |                     |                      |                                       |
|------------------------|---------------------|----------------------|---------------------------------------|
|                        | FY 2017<br>Budgeted | FY 2017<br>Projected | Change in<br>Net Position<br>Variance |
| UA                     | \$ 109.0            | \$ 108.4             | \$ (0.6)                              |

| MONTHLY DAYS CASH ON HAND                          |                   |                     |                      |
|--|-------------------|---------------------|----------------------|
|  | FY 2016<br>Actual | FY 2017<br>Budgeted | FY 2017<br>Projected |
| UA   | 170               | 162                 | 176                  |
| Moody's US Public<br>University Range<br>(FY 2015) | 75%               | Median              | 125%                 |
|  | 104               | 138                 | 173                  |

| CHANGE IN NET POSITION: BUDGETED VS. PROJECTED |          |  |  |
|--|----------|--|--|
| <b>Revenues:</b>                               |          |  |  |
| Tuition & Fees                                 | 0.9      |  | Increase is to agree to revised tuition and fee estimate.  |
| Scholarship Allowances                         | \$ 7.6   |  | The reduction is due to a decrease in scholarship awards.  |
| Other Revenues                                 | (5.0)    |  | The net decrease in Other Revenues is due to a decrease of \$10.0M for one-time, non-contract Banner funds that will not be realized in FY17 partially offset by increases of \$3.0M in capital gifts and \$2.0M due to the passing of the Arizona Education Finance Amendment, Proposition 123. |
| Total Change in Revenues                       | \$ 3.5   |  |  |
| <b>Expenses:</b>                               |          |  |  |
| Scholarships & Fellowships                     | (2.4)    |  | Decrease is due to reduction in financial aid.   |
| Depreciation                                   | 8.4      |  | Adjusted to align with actual activity.  |
| Interest on Indebtedness                       | (1.9)    |  | The decrease is due to a new debt issuance involving refunding and new construction offset by capitalized interest for building assets.  |
| Total Change in Expenses                       | \$ 4.1   |  |  |
| <b>Net Variance</b>                            | \$ (0.6) |  |  |

|  | FY 2017                   |                   |   |  |   | FY 2016                             |  |
|--|---------------------------|-------------------|---|--|---|-------------------------------------|--|
|  | FY 17<br>OPERATING BUDGET | YEAR TO DATE      | CURRENT<br>PROJECTED @ JUNE<br>30, 2017 | \$ VARIANCE<br>BETWEEN BUDGET &<br>PROJECTED | % VARIANCE<br>BETWEEN BUDGET &<br>PROJECTED | FY 2016<br>AUDITED<br>JUNE 30, 2016 | \$ VARIANCE<br>BETWEEN FY 16<br>ACTUAL &<br>CURRENT<br>PROJECTED |
| <b>Revenues</b>  |                           |                   |   |  |   |                                     |  |
| State General Fund Appropriation                         | \$ 253.1                  | \$ 168.7          | \$ 253.1                                | \$ -   | 0.0%  | \$ 241.3                            | \$ 11.8  |
| State Appropriation - Research Infrastructure            | 14.0                      | 9.3               | 14.0                                    | -  | 0.0%  | 9.6                                 | 4.4  |
| State Appropriation - One-time technical adjustment      |                           |                   |   |  |   | -                                   |  |
| Tuition and Fees   | 853.5                     | 555.7             | 854.4                                   | 0.9  | (a) 0.1%                                    | 805.1                               | 49.3   |
| less Scholarship Allowance                               | (212.2)                   | (134.0)           | (204.6)                                 | 7.6  | (b) 3.6%                                    | (196.5)                             | (8.1)  |
| Net Tuition and Fees                                     | <b>641.3</b>              | <b>421.7</b>      | <b>649.8</b>                            | <b>8.5</b>                                   | <b>1.3%</b>                                 | <b>608.6</b>                        | <b>41.2</b>  |
| Grants & Contracts                                       | \$ 638.9                  | \$ 389.6          | \$ 638.9                                | \$ -   | 0.0%  | \$ 701.4                            | \$ (62.5)  |
| Financial Aid Grants (Primarily Federal Pell Grants)     | 52.5                      | 57.2              | 52.5                                    | -  | 0.0%  | 52.0                                | 0.5  |
| Private Gifts (Note)                                     | 82.3                      | 40.7              | 82.3                                    | -  | 0.0%  | 80.9                                | 1.4  |
| Technology & Research Initiative Fund (TRIF)             | 27.3                      | 13.8              | 27.3                                    | -  | 0.0%  | 25.0                                | 2.3  |
| Auxiliary Revenues, Net                                  | 215.0                     | 150.3             | 215.0                                   | -  | 0.0%  | 206.7                               | 8.3  |
| Other Revenues   | 147.8                     | 67.6              | 142.8                                   | (5.0)  | (c) -3.4%                                   | 115.3                               | 27.5   |
| <b>Total Revenues</b>                                    | <b>\$ 2,072.2</b>         | <b>\$ 1,318.9</b> | <b>\$ 2,075.7</b>                       | <b>\$ 3.5</b>                                | <b>0.2%</b>                                 | <b>\$ 2,040.8</b>                   | <b>\$ 34.9</b>   |
| <b>Expenses</b>  |                           |                   |   |  |   |                                     |  |
| Salaries and Wages                                       | \$ 911.6                  | \$ 554.5          | \$ 911.6                                | \$ -   | 0.0%  | \$ 920.1                            | \$ (8.5)   |
| Benefits   | 309.1                     | 205.9             | 309.1                                   | -  | 0.0%  | 328.6                               | (19.5)   |
| All Other Operating                                      | 496.3                     | 321.2             | 496.3                                   | -  | 0.0%  | 454.2                               | 42.1   |
| Scholarships & Fellowships, Net of Scholarship Allowance | 67.6                      | 45.1              | 65.2                                    | (2.4)  | (d) -3.6%                                   | 54.1                                | 11.1   |
| Depreciation   | 121.8                     | 86.8              | 130.2                                   | 8.4  | (e) 6.9%                                    | 125.5                               | 4.7  |
| Interest on Indebtedness                                 | 56.8                      | 36.6              | 54.9                                    | (1.9)  | (f) -3.3%                                   | 49.7                                | 5.2  |
| <b>Total Expenses</b>                                    | <b>\$ 1,963.2</b>         | <b>\$ 1,250.1</b> | <b>\$ 1,967.3</b>                       | <b>\$ 4.1</b>                                | <b>0.2%</b>                                 | <b>\$ 1,932.2</b>                   | <b>\$ 35.1</b>   |
| <b>Net Increase (Decrease)</b>                           | <b>\$ 109.0</b>           | <b>\$ 68.8</b>    | <b>\$ 108.4</b>                         | <b>\$ (0.6)</b>                              | <b>(0.6%)</b>                               | <b>\$ 108.6</b>                     | <b>\$ (0.2)</b>  |

Monthly days' cash on hand at June 30, 2017 is projected to be 176 days compared to 170 days at June 30, 2016.

(a) Increase is to agree to revised tuition and fee estimate.

(b) The reduction is due to a decrease in scholarship awards.

(c) The net decrease in Other Revenues is due to a decrease of \$10.0M for one-time, non-contract Banner funds that will not be realized in FY17 partially offset by increases of \$3.0M in capital gifts and \$2.0M due to the passing of the Arizona Education Finance Amendment, Proposition 123.

(d) Decrease is due to reduction in financial aid.

(e) Adjusted to align with actual activity.

(f) The decrease is due to a new debt issuance involving refunding and new construction offset by capitalized interest for building assets.

Notes: Private gifts do not include gifts for capital projects. Capital Gifts are reported as part of Other Revenues. The UA expects capital gift revenue of \$7.0 million for FY 2017.

Due to GASB requirements related to pension benefits and OPEB (Other Post-employment Benefits), the University reported a reduction of \$2.6 million to pension expense (more contributions than expenses) and an increase of \$26.3 million to OPEB expense at the end of FY 2016. These amounts may be higher or lower for FY 2017 depending on the actuarial report prepared by the State consultant. No FY 2017 pension or OPEB related GASB activity has been included in the FY 2017 actual to date or projected columns.