

2011 ANNUAL FINANCIAL REPORT

University of Wisconsin System

An Overview of Financial Performance



AGENDA

Financial Summary

- **Revenues**
- **Expenses**
- **Statement of Net Assets**

Auditor Communication

This presentation provides an overview of our FY 2011 financial report.

All information has been made available on the UW System website.

The University of Wisconsin System served over 182,000 students on our campuses and more than one million people through our statewide extension programs in 2011.



Fiscal Summary

(in millions) 2011 2010 Increase over 2010

Total Revenues	\$4,868.9	\$4,654.6	\$214.3	4.6%
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Total Expenses	<u>4,457.0</u>	<u>4,325.6</u>	131.4	3.0%
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Increase in Net Assets	\$ 412.0	\$ 329.0		
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Total Assets	\$7,227.8	\$6,710.4	\$517.4	7.7%
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Total Liabilities	<u>1,790.5</u>	<u>1,685.1</u>	<u>105.4</u>	6.3%
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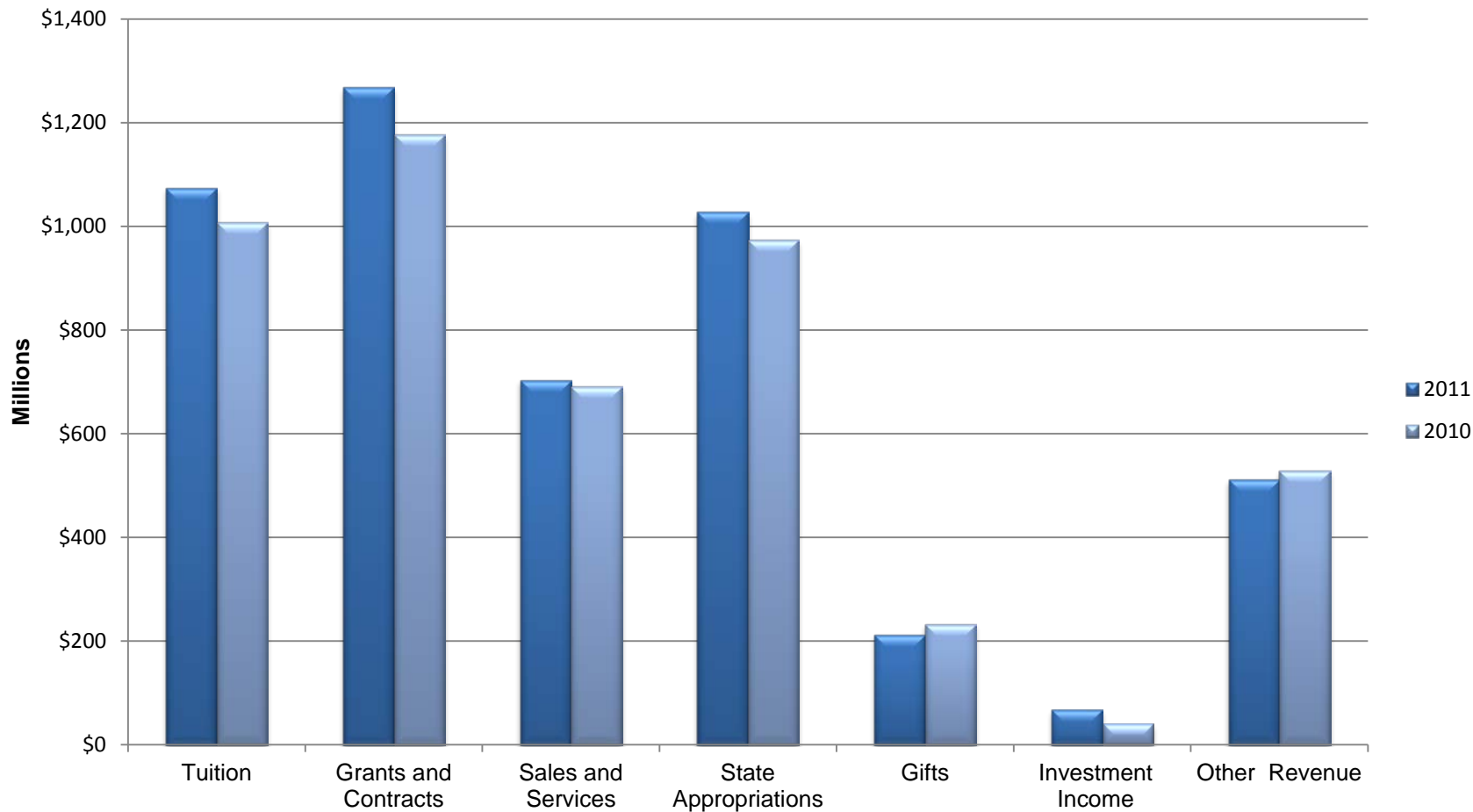
Net Assets	\$5,437.3	\$5,025.3	\$412.0	8.2%
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Revenues

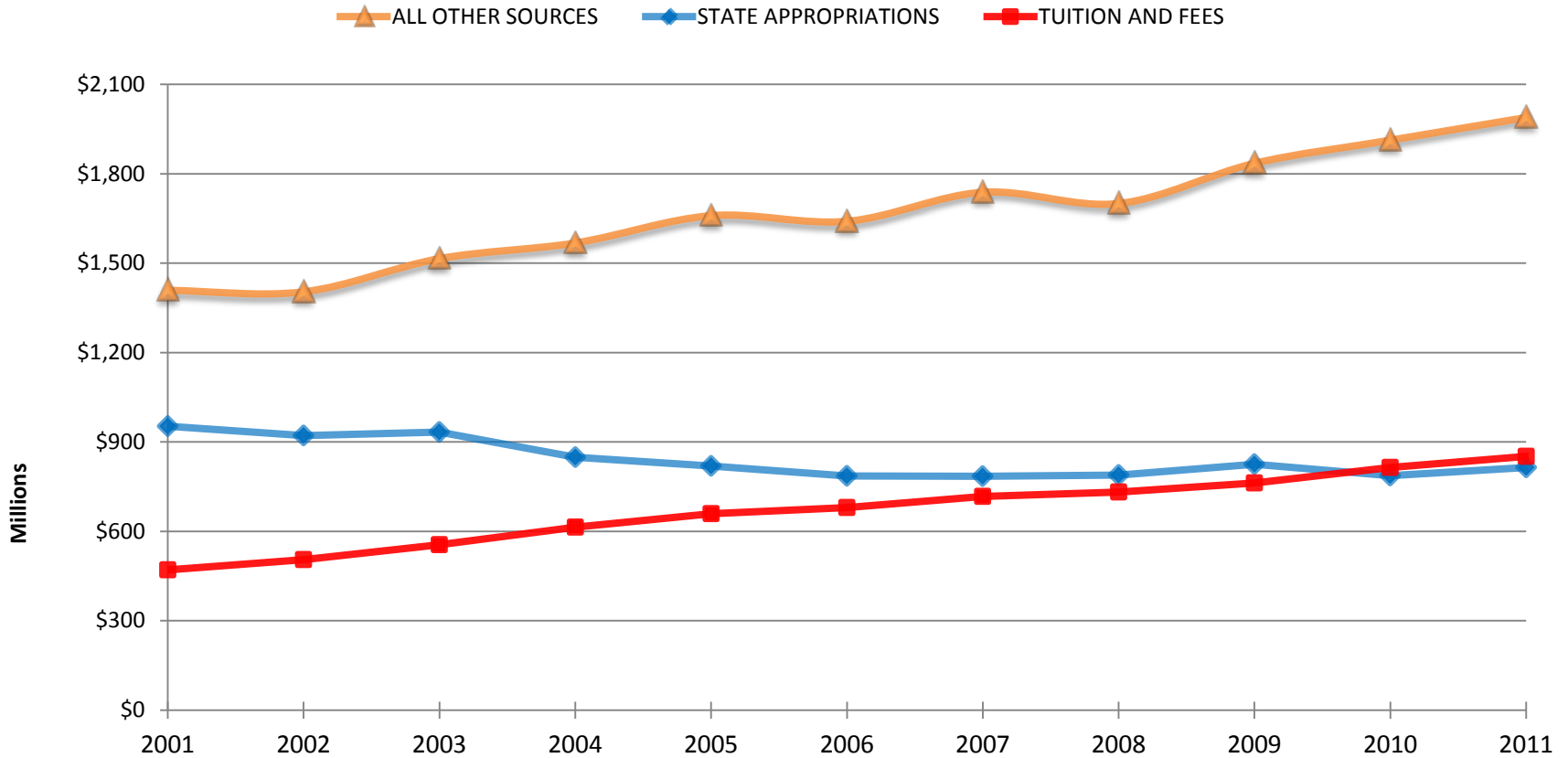
Total revenues increased by \$214.3 million or 4.6% over 2010

- Tuition increased by \$67.0 million
 - 5.5% overall rate increase
 - Record enrollment of 182,090 – increase of 3,181 students over 2010
- Grants and Contracts increased by \$91.1 million
 - Federal grants and contracts increased \$58.0 million
 - State, Local, and Private grants and contracts increased \$33.1 million
- State Appropriations increased by \$53.9 million
 - State budget increased after decreasing \$37.7 million in 2010
 - Second year in recent history that tuition is greater than state appropriations
- Gifts decreased by \$20.8 million

Total Revenue by Category



TEN-YEAR COMPARISON OF CURRENT FUNDS REVENUES ADJUSTED FOR INFLATION



Fiscal Summary

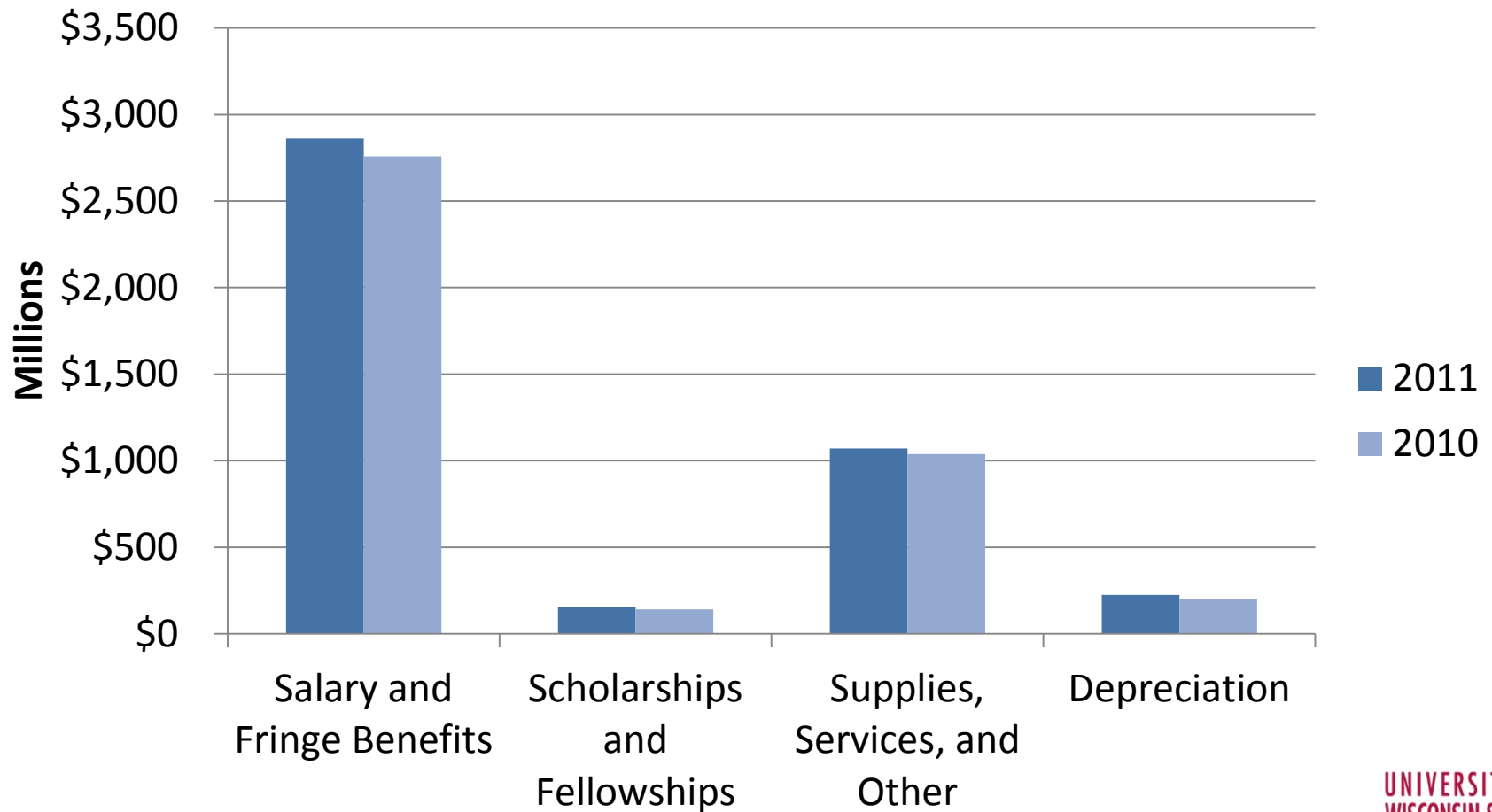
(in millions)	<u>2011</u>	<u>2010</u>	<u>Increase over 2010</u>	
Total Revenues	\$4,868.9	\$4,654.6	\$214.3	4.6%
Total Expenses	<u>4,457.0</u>	<u>4,325.6</u>	131.4	3.0%
Increase in Net Assets	\$ 412.0	\$ 329.0		
Total Assets	\$7,227.8	\$6,710.4	\$517.4	7.7%
Total Liabilities	<u>1,790.5</u>	<u>1,685.1</u>	<u>105.4</u>	6.3%
Net Assets	\$5,437.3	\$5,025.3	\$412.0	8.2%

Expenses

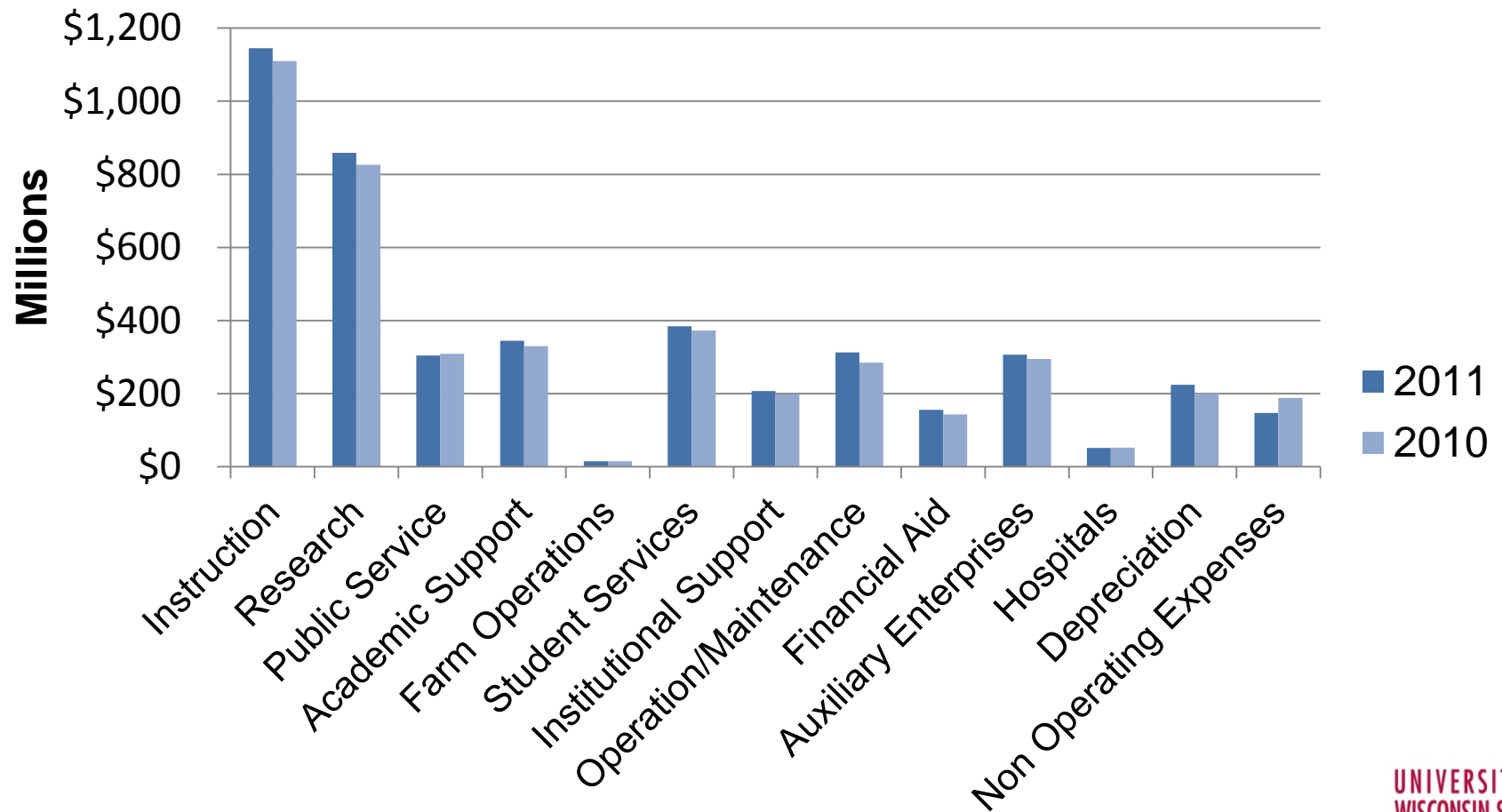
Total Expenses increased by \$131.4 million or 3.0% over 2010

- The 2011 increase is comparable to the 2.8% increase between 2009 to 2010.
- Salary and fringe benefits increased by \$103.5 million between 2010 and 2011.
 - Over 1,100 additional staff positions in 2011
 - Majority of these staff positions were part-time and primarily funded by auxiliary, tuition, and federal funds.
- Depreciation expense increased \$23.9 million over 2010.
 - Capital assets net of depreciation increased \$415.9 million.

OPERATING EXPENSES BY NATURAL CLASSIFICATION



EXPENSES BY FUNCTIONAL CLASSIFICATION



Fiscal Summary

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Total Assets	\$7,227.8	\$6,710.4	\$517.4	7.7%
Total Liabilities	<u>1,790.5</u>	<u>1,685.1</u>	<u>105.4</u>	6.3%
Net Assets	\$5,437.3	\$5,025.3	\$412.0	8.2%

STATEMENT OF NET ASSETS

(in millions)	2011	2010
Assets		
–Current Assets	\$1,466.3	\$1,417.7
–Noncurrent Assets	<u>5,761.5</u>	<u>5,292.7</u>
Total Assets	\$7,227.8	\$6,710.4
Liabilities		
–Current Liabilities	\$ 541.4	\$ 649.6
–Noncurrent Liabilities	<u>1,249.1</u>	<u>1,035.5</u>
Total Liabilities	\$1,790.5	\$1,685.1
Net Assets		
–Invested in Capital Assets	\$3,951.3	\$3,764.1
–Restricted	878.6	758.5
–Unrestricted	<u>607.4</u>	<u>502.7</u>
Total Net Assets	\$5,437.3	\$5,025.3
Ratios		
–Return on Net Assets	6.7%	5.9%
–Primary Reserve	17.1%	14.7%

Net Assets

Return on Net Assets ratio increased to 6.7% in 2011

- Determines the percent of income being generated from assets and how effectively and efficiently assets are being used.
- UW System is above the 4% standard suggested by NACUBO

Primary reserve ratio increased to 17.1% in 2011

- An indication of how long UW System can function using only expendable and unrestricted net assets
- 17.1% equates to slightly over 2 months, which is below the NACUBO standard

Legislative Audit Bureau

AUDITOR COMMUNICATION

Joe Chrisman, State Auditor
Carolyn Stittleburg, Audit Director

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