

FACT SHEET - FUND BALANCES

Overview

A memo from the Wisconsin State Legislative Fiscal Bureau dated April 18, 2013 indicated that at the end of FY 2012 (June 30, 2012), the program revenue fund balances for all University of Wisconsin System accounts totaled \$1.04 billion. \$23.4 million, or 2.2%, were attributed to UW-River Falls.

Approximately 10% of the \$23.4 million serves as an uncommitted institutional reserve, which amounts to approximately 2.5% of our annual GPR, PR, and tuition budget. Such a reserve is a necessary safeguard against unexpected or unpredictable financial impacts related to emergency situations, enrollment fluctuations, and decreases in the level of state support.

UW-River Falls Program Revenue Funds

The following is a description of the program revenue funds at UW-River Falls. Included is the balance in each account on June, 30 2012 and the source, purpose, and use of each of these funds.

Academic Student Fees

June 30, 2012 Balance: \$8,558,846

Source: Tuition

A portion of this balance is restricted. For example, \$300K represents differential tuition collected from students. Another \$121K of these funds will be used for 25% federal matching requirements. Included in this balance is \$394K for service based pricing programs, which do not receive GPR support and are required to generate sufficient revenue to pay expenses as well as program expansion. The remaining balance is used to fund expenditures not covered by the campus base budget. For example, throughout FY13, \$1.5 million has been committed to personnel needs such as new faculty and staff hires, tenure-track promotions, sabbaticals, merit increases, faculty retention, and equity. \$1.2 million has been designated for capital projects such as Cascade Avenue, the eSIS Upgrade, Admissions software, renovation of the North Hall Auditorium, Campus Mall planning, and laboratory modernizations. \$717K has been committed to the Campus Strategic Plan, Pathway to Distinction. Another \$445K has been distributed to the colleges and information technology for program expansion and technology upgrades.

Auxiliary Enterprises

June 30, 2012 Fund Balance: \$9,649,642

Source: Segregated fees, user fees, online course fees, special course fees

Included in this balance is \$3.3 million of student fees collected and designated for construction of Ramer Field, Falcon Center, and Student Services Center. User fees collected for residence life, dining, parking, and university center also are included in this balance. Each of these operations has annual operations of more than \$1 million. Reserve balances, as well as operating expenses, equipment purchases, renovations, maintenance, debt service are a part of the six year plan review for each fee. Some areas have earmarked funding for major equipment purchases. One example is Rec & Sports that will need, in the near future, to purchase compressors, a bleacher system, and a boiler. Segregated fees and user fees are reviewed by the Student Senate and the Facilities and Fees Committee annually. Facilities and Fees review operating, capital, and debt service expenses as well as the impact on reserve balance when making recommendations regarding fee increases. Student Senate also has authority over allocable fee balances included in auxiliary enterprises.

General Operations Receipts

June 30, 2012 Fund Balance: \$1,204,899

Source: Fees for service or costs of goods sold.

These operations are treated like a business and sufficient revenues are expected to be generated to cover operating and capital expenses. Examples of these operations include Falcon Foods, Speech Clinic, Volleyball Camp, Horse Breeding Program, Surplus Property, Hunt Arena Skating School, Hudson Center. Each operation has a budget manager that has fiscal responsibility.

Federal Aid - Special Projects and Federal Indirect Cost Reimbursement

June 30, 2012 Fund Balance: (\$219,147)

Source: Federal Funding

Federal Funds are expended on a cost-reimbursement basis and therefore funds are drawn after financial aid is disbursed. A negative balance is expected at year-end.

Extension Student Fees:

June 30, 2012 Fund Balance: \$1,088,232

Source: Tuition and fees charged for Extension and Outreach Programs

Programs include the Montessori Graduate Program, Early Childhood, Sustainable Management, Health & Wellness Management. Balances are used to sustain the current programs and cover the development of new programs such as the Bachelor of Applied Science. Outreach is required by the UW System to maintain a 10% operating balance reserve based on the entire UWRF Extension budget, including Cooperative Extension, Small Business Development Center, and Outreach/Continuing Education.

All Other PR Appropriations:

June 30, 2012 Fund Balance: \$3,152,993

Source: Debt Service and Perkins Federal Revolving Loan Fund

\$2.5 million of this balance is restricted for current year debt service payments for Day Care, Residence Life, University Center, and Dining. The remaining balance is restricted funds for the Perkins Federal Revolving Loan Fund.

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