

Meeting of the Board of Governors

OPEN SESSION MINUTES

March 3, 2017

University of North Carolina General Administration
Center for School Leadership Development, Room 111
Chapel Hill, North Carolina

Call to Order

The Board of Governors met in regular session on March 3, 2017, in the Board Room at the Center for School Leadership Development, Chapel Hill. Chairman Bissette called the meeting to order at 8:00 a.m.

Roll Call

Secretary Perry called the roll. The following members were present:

Roger H. Aiken	J. Alex Mitchell
W. Louis Bissette, Jr.	W.G. Champion Mitchell
Pearl Burris-Floyd	Anna S. Nelson
C. Philip Byers	R. Doyle Parrish
Walter C. Davenport	Joan T. Perry
Hannah D. Gage	Therence O. Pickett
Thomas C. Goolsby	David M. Powers
H. Frank Grainger	Robert S. Rippy
Henry W. Hinton	O. Temple Sloan III
Joe T. Knott	Harry L. Smith
Scott K. Lampe	J. Craig Souza
Steven B. Long	G.A. Sywassink
Scott K. Lampe	Laura I. Wiley
Joan G. MacNeill	Michael L. Williford

The following members were absent:

Madeline Finnegan	Ann Maxwell
James L. Holmes, Jr.	William A. Webb

Chairman Bissette asked for a motion to go into closed session to discuss the Report of the Special Committee on Presidential Assessment. Secretary Perry moved that the Board go into closed session as described in the written motion, pursuant to Sections 143-318.11(a)(1) and (a)(6), of the North Carolina General Statutes. The motion was properly seconded and it carried.

The Board went into closed session at 8:05 a.m. and returned to open session at 9:00 a.m.

Invocation

Chairman Bissette called on Mr. Aiken to give the invocation.

State Ethics Act

Chairman Bissette stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda, he asked if anyone had a potential conflict. There were none.

Expectations of Conduct

Chairman Bissette reminded everyone of the Expectations of Conduct during meetings of the UNC Board of Governors as set forth by the Board at its meeting in March 2016.

Minutes

Chairman Bissette entertained a motion to approve the minutes for the open session of the Board of Governors meeting of January 13, 2017. The motion was made by Mr. Long and properly seconded. The motion carried.

President's Report

Chairman Bissette recognized President Spellings for her report. President Spellings commented that this month marked her first year anniversary as president of the University of North Carolina. She reflected on what the University has achieved during the year and acknowledged the chancellors, staff, students, and friends of the University, who have contributed to its success. For President Spellings' complete report, please see Appendix A.

Administrative Action Items

Chairman Bissette called attention to the Administrative Action Items listed as Item 7 on the consent agenda, and noted that Mr. Kotis had asked that Item 7f – *Capital Improvements Projects – ASU, NCSU, UNCW, and WSSU* be removed for a separate discussion and vote. Chairman Bissette entertained a motion to approve the remaining administrative action items by consent. Mr. Grainger moved and the motion was properly seconded. The motion carried. The Board discussed Item 7f. Chairman Bissette entertained a motion to approve Item 7f – *Capital Improvements Projects – ASU, NCSU, UNCW, and WSSU*. Mr. Alex Mitchell moved and the motion was properly seconded. The motion carried. Chairman Bissette noted that Mr. Long and Mr. Powers abstained from Item 7f.

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| a. (CARMC) | Charter for the Committee on Audit, Risk Management, and Compliance | (Appendix B) |
| b. (CARMC) | Internal Audit Charter for UNC General Administration | (Appendix C) |
| c. (B&F) | Sale of Obligation Bonds – NCSU | (Appendix D) |
| d. (B&F) | Sale of Obligation Bonds – WSSU | (Appendix E) |
| e. (B&F) | Authorization of Property Acquisition by Lease – UNCP | (Appendix F) |
| f. (B&F) | Capital Improvements Projects – ASU, NCSU, UNCW and WSSU | (Appendix G) |
| g. (EPPP) | Authorization to Establish the following UNC Degree Programs: | |
| | i. Bachelor of Music in Music Education – UNCW | (Appendix H) |
| | ii. Bachelor of Science in Special Education – ECSU | (Appendix I) |
| h. (EPPP) | Authorization to Discontinue the following UNC Degree Programs: | |
| | i. Bachelor of Science in Economics, Social Sciences – UNCC | (Appendix J) |
| | ii. Master of Education in Health Promotion – UNCC | (Appendix J) |
| i. (EPPP) | Approval of Licensure to offer proposed Post-Secondary Degree Programs in North Carolina by the following institutions | (Appendix K) |
| | i. The Chamberlain College of Nursing | |
| | ii. Living University | |
| | iii. Western Governors University | |
| j. (B&F) | Report of the Charlotte Teacher Early College (CTEC) | (Appendix L) |

Report of the Committee on Audit, Risk Management, and Compliance

Mr. Davenport, Chair of the Committee, reported that at its teleconference meeting on Monday, February 27, the Committee heard a report from Ms. Joyce Boni, UNC General Administration (UNC-GA) Chief Audit Officer, regarding updated revisions to the Charter for the Committee on Audit, Risk Management, and Compliance (see Appendix B) and the Internal Audit Charter for General Administration (see Appendix C). The Committee approved revisions to the documents and included the items on the consent agenda. Ms. Boni also provided an update on the Status of UNC-GA Internal Audit Plan for Fiscal Year 2016-2017 (see Appendix M). The Committee also received an update on the Policy Review Project Report Deregulation.

Finally, Mr. Davenport reported that State Auditor Beth Wood is expected to attend the Committee's next meeting in May and will make her annual presentation to the full Board at that time.

Report of the Committee on Budget and Finance

Mr. Lampe, Chair of the Committee, reported that at its meeting the previous day, the Committee heard two presentations related to UNC System Financial Information. Next, the Committee approved the Authorization of Tuition for 2017-18 (see Appendix N) and the Authorization of Fees for 2017-18 (see Appendix O). Mr. Lampe recalled that last year the General Assembly enacted a provision that kept mandatory fee increases including debt service to 3% per year beginning with the 2017-18 academic year.

On behalf of the Committee, Mr. Lampe moved that the Board approve the Authorization of Tuition 2017-18 and the Authorization of Fees for 2017-18. The motion carried. Mr. Goolsby requested that the minutes reflect that he voted against the motion.

Next, Mr. Lampe reported that the Committee approved the Authorization of Non-Appropriated Capital Improvements Projects. These projects are funded from non-appropriated sources requiring the issuance of long-term debt and approval by the General Assembly. There are six campuses (ECU, ECSU, NCCU, UNC-CH, UNCG, and WCU) that proposed 14 self-liquidating projects (see Appendix P).

On behalf of the Committee, Mr. Lampe moved that the Committee approve the Non-Appropriated Capital Improvements Projects described above and forward them to the General Assembly for approval. The motion carried.

Mr. Lampe reported that the Committee considered, but did not act on, the following three capital improvements projects proposed by UNC Charlotte. With additional information provided, Mr. Lampe moved that pursuant to Section 202 C(5) of *The Code* the Board of Governors discharge the following three projects from the Committee on Budget and Finance and take them up immediately for consideration:

1. New project authorization for parking lots revitalization;
2. New project authorization for student activity center IT upgrade; and
3. Increase of authorization for the Facilities Operations Complex

Mr. Lampe noted that in accordance with *The Code*, the motion required a vote of two thirds (2/3) of the voting membership of the board present.

The motion passed and the Chair noted it had passed by a 2/3 vote. The projects were discharged from the Committee on Budget and Finance.

On behalf of the Board, Mr. Lampe then moved that the Board of Governors approve UNC Charlotte's request pertaining to the three capital improvements projects mentioned above. The motion carried. Mr. Goolsby, Mr. Kotis, and Mr. Long requested that the minutes reflect that they voted against the motion.

Mr. Lampe reported that the Committee received the annual Consolidated Financial Report of the University of North Carolina (see Appendix Q) and reviewed a Report on Facilities and Administrative (F&A) Receipts of the University of North Carolina (see Appendix R).

Lastly, Mr. Lampe spoke about the proposed merger of ECU Physicians and Vidant Medical Group. He stated that neither the Committee nor the Board had been given details on the specifics of the merger.

Mr. Souza moved that pursuant to Section 202 C(5) of *The Code*, the Board of Governors discharge the matter of ECU's proposal from the Committee on Budget and Finance and take it immediately for consideration. He noted that, in accordance with in *The Code*, the motion required a vote of two thirds (2/3) of the voting membership of the board present. The motion passed and the Chair noted it had passed by a 2/3 vote. The matter was discharged from the Committee on Budget and Finance and taken up by the Board immediately.

Mr. Souza then moved that Board of Governors approve ECU's proposal to integrate ECU Physicians with Vidant Medical Group, subject to the terms of one or more agreements to be negotiated and approved by Chancellor Cecil Staton and President Margaret Spellings, in consultation with the Chair of the Budget & Finance Committee of the Board of Governors. The Board discussed this motion and considered possible amendments. Finally, the Board then voted on the motion, as amended to read: "Authorize the President, the Chancellor of ECU, and the Chair of the Committee on Budget and Finance to take all actions necessary to negotiate a final agreement for the integration of ECU Physicians and Vidant Medical Group, subject to authorization and approval and by the Committee on Budget and Finance. The President shall report the public terms of the final agreement to the Board of Governors for information." The motion passed.

Report of the Committee on Educational Planning, Policies, and Programs

Mrs. Nelson, Chair of the Committee, reported that the Committee discussed the following administrative action items. The Committee approved the establishment of two new degree programs – a Bachelor of Music in Music Education at UNCW (see Appendix H) and a Bachelor of Science in Special Education at ECSU (see Appendix I); the discontinuation of two degree programs at UNC Charlotte (see Appendix J); three licensure requests (see Appendix K); and the establishment of the Charlotte Teacher the consent agenda. The Committee heard reports on advising innovations at two campuses and on research productivity across the UNC system.

In closing, Mrs. Nelson reported that the Committee considered proposed UNC Policy 400.7 – *Involvement of Centers and Institutes in Legal Actions*. The Committee requested additional information related to this topic from Chancellor Folt (UNC-CH), Interim Chancellor Akinleye (NCCU), and UNC-GA staff. She mentioned that the system office had received over 100 email messages from the public related to this matter.

Report of the Committee on Public Affairs

Mr. Powers, Chair of the Committee, reported that the Committee hosted a legislative panel that included Representatives Bill Brawley, John Fraley, and Jason Saine. Mr. Powers thanked the representatives for their time and support of the University. The staff provided updates on both state and federal relations. The Committee heard an update on the Governor's budget, which was released

earlier this week and presented at the Joint Appropriations Committee the previous day. Mr. Powers stated that the Committee would keep the Board informed of all legislative issues and concerns that affect the University.

Mr. Powers made the following announcements: the NC General Assembly University Board of Governors Nominating Committees will be accepting nominations from March 6-10th for the four-year terms and one two-year unfilled term. The Senate will hold its election no later than March 29 and the House no later than April 5, 2017. University Day at the General Assembly is scheduled for Wednesday, April 12, 2017. He encouraged the Board members, chancellors, faculty, students, and others to attend.

Report of the Committee on University Governance

Mr. Hinton, Chair of the Committee, reported that the Committee received an update on upcoming vacancies on councils and boards of trustees, and the UNC Press Board of Governors. Regarding the boards of trustees appointments, the liaisons and several assistant liaisons were working with their institutions and the full slate of trustees for election and re-election was expected at the May meeting.

Next, the Committee continued its discussion on orientations for new members of the Boards of Trustees and the Board of Governors. The Committee sought ideas for suggestions on developing the orientation sessions.

Finally, Mr. Hinton asked the members to consider signing up for one of the spring commencements to bring greetings on behalf of the Board of Governors and to present the Board of Governors Award for Excellence in Teaching to this year's recipients – there is one recipient from each campus.

Report of the Strategic Planning Committee

Mr. Souza, Chair of the Committee, reported on the progress that the Committee has made on the Strategic Plan. A draft copy of the Plan was distributed to the members of the Board. He mentioned that the Committee would continue to provide updates on the Plan as it progressed.

Chairman's Report

Chairman Bissette spoke briefly about the Special Committee on Presidential Assessment. He commended President Spellings on the work she has accomplished this past year. He spoke about the implementation of the Strategic Plan, which will launch North Carolina and the University to the next level. Regarding Tuition and Fees approved by the Board today, he thanked the Committee on Budget and Finance for its excellent work. He noted that this is the second lowest tuition increase for resident undergraduate students and the lowest fee increase during his tenure on the board.

This marked Mrs. Wiley's last meeting of the Board of Governors. He thanked her for outstanding service to the University, especially the remarkable work she has done with the Public Comment Sessions.

Secretary Perry stated that the printed motion to go into closed session was in the Board members' folders. She moved that the Board go into closed session as described in the written motion, pursuant to Sections 143-318.11(a)(1), (a)(2), (a)(3), (a)(5), and (a)(6), of the North Carolina General Statutes. The motion was properly seconded and it carried.

The Board went into closed session at 11:00 a.m. and returned to open session at 11:50 a.m.

Report of the Committee on Personnel and Tenure

Mr. Parrish, Chair of the Committee, reported that at its meeting the previous day, the Committee considered and approved a proposed Executive Performance Incentive Compensation Program for President Spellings (see Appendix S). He explained that the President is evaluated on an annual basis and any compensation increases will be contingent on specific annual performance objectives and achievement of those goals as set by the Presidential Assessment Committee and reported to the Board annually.

On behalf of the Committee, Mr. Parrish moved that the Board accept the Executive Performance Incentive Compensation Program. The motion carried.

Next, the Committee received an informational report on expenditures from the Faculty Recruitment and Retention Fund. The fund has a balance of \$534,000 and replenishing the fund remains a high legislative priority. The Committee will continue discussion on this topic at its next meeting. Vice President Brody presented several Human Resources updates and spoke about the Committee's ongoing work in planning for the collection of a human capital related matrix as part of the newly adopted University's strategic plan.

In closing, Chairman Bissette reminded the Board that the Public Comment Session will begin upon adjournment of today's meeting followed by a luncheon with the Association of Student Governments. The installation of Chancellor Conway at Elizabeth City State University is scheduled for Friday, March 10 and the installation of Chancellor Staton at East Carolina University is scheduled for Friday, March 24. He encouraged the members to attend these important events. The next meeting of the Board of Governors was scheduled for Friday, May 19, 2017, in Chapel Hill.

There being no further business, Chairman Bissette requested a motion to adjourn. Mr. Alex Mitchell moved and the motion was properly seconded. The meeting adjourned at 12:00 p.m.

Secretary

APPENDICES

(All Appendices are a part of the official record of the meeting)

Appendix A	President Spellings' Report	Posted Online
Appendix B	Charter for the Committee on Audit, Risk Management, and Compliance	Posted Online
Appendix C	Internal Audit Charter for UNC General Administration	Posted Online
Appendix D	Sale of Obligation Bonds – NCSU	Posted Online
Appendix E	Sale of Obligation Bonds – WSSU	Posted Online
Appendix F	Authorization of Property Acquisition by Lease – UNCP	Posted Online
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Appendix K	Approval of Licensure to offer proposed Post-Secondary Degree programs in North Carolina by the following institutions: <ul style="list-style-type: none">i. The Chamberlain College of Nursingii. Living Universityiii. Western Governors University	Posted Online
Appendix L	Report of the Charlotte Teacher Early College (CTEC)	Posted Online
Appendix M	Status of UNC-GA Internal Audit Plan Fiscal Year 2016-2017	Posted Online
Appendix N	Authorization of Tuition for Fiscal Year 2017-18	Posted Online
Appendix O	Authorization of Fees for Fiscal Year 2017-18	Posted Online
Appendix P	Authorization of Non-Appropriated Capital Improvements Projects – ECU, ECSU, NCCU, UNC-CH, UNCG, and WCU	Posted Online
Appendix Q	Consolidated Financial Report of the University of North Carolina	Posted Online
Appendix R	Facilities and Administrative (F&A) Receipts of the University of North Carolina	Posted Online
Appendix S	Executive Performance Incentive Compensation Program The University of North Carolina President	Posted Online

President's Report – March 2017

Good morning. It's been a busy few days—and it's fair to say a busy year. It's hard for me to believe that a full year has passed since I arrived. I never envisioned a quiet start to this job, but I'm really pleased at what we've been able to accomplish together—the capacity of this University is extraordinary. I came to North Carolina because I knew this was a place eager to tackle the biggest challenges in education, and that's exactly what we're doing together.

Since last March, we've formally welcomed highly capable chancellors in Cecil Staton at East Carolina and Thomas Conway at Elizabeth City—and I am looking forward to their installations this month. We also mourned the loss of our dear friend and leading light Chancellor Deborah Saunders-White at NC Central and thanks to Johnson Akinleye for serving as Acting Chancellor as we look to fill the position permanently.

Our citizens reaffirmed North Carolina's historic commitment to education through the ConnectNC bond, a resounding vote of public confidence in our mission; NC took one of the biggest strides anywhere in the nation in advancing college affordability through the NC Promise tuition plan; and you're about to vote for very limited tuition increases, our first year of approving rates under a fixed tuition plan that will hold tuition steady for students who stay continuously enrolled. It's a major step forward to advance predictability and confidence for our students and families.

(PAUSE)

Through your leadership and with your unanimous support and, with significant Chancellor and stakeholder input, we developed an ambitious Strategic Plan that will reaffirm this state as a leader in

answering the core challenges of higher education. Our partners at the NC Community College have enthusiastically endorsed the Plan and we look forward to partnering with them, the K-12 system, and all of our partners across the state to educate more students to higher levels more affordably.

You'll find an "Advanced Readers Copy" of the Plan in your folder, and we'll be distributing the final product to stakeholders across the state in the coming weeks. I could not be more grateful for the work and advocacy you've put into this. Thank you.

(PAUSE)

Together, we helped our eastern institutions weather one of the worst natural disasters in state history with poise and generosity; we had an excellent and productive short session at the legislature; and we've made real progress on some of our biggest long-range challenges.

One of the joys of working in higher education is that we can bring together such remarkable talent, using our intellectual firepower to improve opportunity and quality of life for all of our citizens, especially our students.

In that spirit, we assembled a task force to examine the future of health care in North Carolina, considering how we deal with shifting demographics, the economics of rural health, and changing technology that may expand our capacity to treat patients and promote public health, and most importantly educating the human talent we will need in health care.

We tasked a working group with exploring the ever-evolving role of technology in education, and we assembled an expert group to move Elizabeth City forward—an effort that is already paying dividends in

improved application numbers and renewed focus on the value of that institution to that region.

(PAUSE)

On the personal front, I kicked off my time in North Carolina by touring all of our institutions and affiliates in less than 65 days. Jonathan Kappler's Subaru Outback was basically my home away from home when I got here. And with your input and support, we reorganized General Administration and put in place a stellar senior team that I am proud to serve with, we built stronger relationships with the Chancellors, and spent time with lawmakers, business leaders and community advocates from every part of the state.

I registered to vote as a North Carolinian, had a student call the police on my Inauguration party, and got a dog named after the founder of the University whose approval ratings and Twitter following clearly exceed mine.

It's been a privilege and pleasure to work with you and serve our system's students, faculty, and staff, and the citizens of this great state —and I am looking forward to year two!

We have much work to do in the P-16 continuum, putting our resources to work for North Carolina's teachers and students at every level. We will begin to implement the Strategic Plan. And we will put forward a statewide approach to medical education, and a more effective utilization of technology-based platforms to help meet our goals. Supporting all of that work will be a much more proactive communications effort — I've heard too much about “hidden gems” in this University. No more of that.

Lastly—and perhaps most importantly—we have a legislative agenda that focuses on investments in modern data infrastructure,

innovative strategies for student success, and regulatory reform. At the end of the session we will work to implement the various legislative priorities of our elected policymakers.

We have lots of work to do together and I'm excited about the days and years ahead—let's get to it. Thank you, Mr. Chairman.



Committee Charter for the Board of Governors
Committee on Audit, Risk Management, and Compliance

I. Background and Authority

- A. All constituent institutions, affiliated entities, and General Administration of the University of North Carolina are subject to audit by the North Carolina State Auditor under Article 5A of Chapter 147 of the North Carolina General Statutes (N.C.G.S.).
- B. Under the authority of N.C.G.S. § 116-30.1, the Board of Governors may designate a special responsibility constituent institution, by expressly finding that each institution to be so designated has the management staff and internal financial controls that will enable it to administer competently and responsibly all additional management authority and discretion to be delegated to it. The Board of Governors, on recommendation of the president, shall adopt rules prescribing management staffing standards and internal financial controls and safeguards.
- C. A special responsibility constituent institution of the University of North Carolina is required by N.C.G.S. § 116-30.8 to have an annual audit conducted by the North Carolina State Auditor.
- D. The University of North Carolina is required to establish a program of internal auditing pursuant to N.C.G.S. § 143-746.
- E. Chapter 600 of the UNC Policy Manual establishes financial, reporting, and audit policies, regulations, and guidelines for the University of North Carolina, University-related private foundations, and associated entities.

II. Purpose

The Committee on Audit, Risk Management, and Compliance (CARMC) will assist the UNC Board of Governors in performing its responsibilities and oversight related to:

- A. The integrity of financial statements.
- B. Governance, systems of internal control, and the audit process.
- C. Compliance with laws and policies.
- D. System-wide enterprise risk management and compliance processes.
- E. Designation of special responsibility constituent institutions.
- F. The required elements of University associated entities.

III. Organization

The Committee on Audit, Risk Management, and Compliance will be a standing committee of the UNC Board of Governors. The chairman of the Board of Governors will select the Committee members and determine the number of voting members.

- A. Committee members must be independent of UNC or associated entity management and free of any relationship that would impair the member's independence.
- B. Committee members may not receive consulting, advisory, or other fees from any of the constituent institutions, affiliated entities, associated entities, or UNC General Administration.
- C. If practicable, at least one member of the committee should be a financial expert. A financial expert is someone who has an understanding of generally accepted accounting principles and financial statements, preferably relative to higher education; experience in applying such principles; experience in preparing, auditing, analyzing, or evaluating financial information; experience with internal controls and procedures for financial reporting; or an understanding of the audit committee function.
- D. If a financial expert is not available from the members of the Board of Governors, the committee may request the appointment of an independent financial expert in an advisory capacity, upon approval from the full Board of Governors.
- E. An appointed financial expert may not receive consulting, advisory, or other fees from any of the constituent institutions, affiliated entities, associated entities, or UNC General Administration, other than fees related to the committee appointment.
- F. If feasible, the role of financial expert will be rotated on an annual basis.

IV. Meetings

The committee shall meet no fewer than four times a year. The committee will invite representatives of the constituent institutions, external and internal auditors, representatives of the Office of the State Auditor, legal counsel, and others to attend the meetings and provide pertinent information as required and requested. Meeting agendas and related materials will be prepared and provided in advance to members. Minutes will be prepared.

V. Duties and Responsibilities

The following shall be the principal duties and responsibilities of this committee:

- A. External Audit
 - 1. Receive an annual overview from the State Auditor or a designated representative regarding the annual audits (financial and compliance) of the constituent institutions. Review the results of UNC General Administration's independent audit, including any difficulties encountered and reportable issues.
 - 2. Review other significant audit-related communications from the State Auditor's Office or other external audit groups or firms. Meet separately with the external auditors to discuss any matters that the committee or auditor believes should be discussed privately.
 - 3. Be available to meet during the year with external auditors (the State Auditor, engaged CPA firm, or audit staff) for consultation purposes or to discuss the auditor's judgment about the quality, not just the acceptability, of any accounting principles and underlying estimates in the preparation of a financial statement and other matters required to be communicated to the committee under generally accepted auditing standards.
 - 4. Request, as needed, that the State Auditor rotate the Audit Manager or that the engaged CPA firm rotate the partner assigned to a constituent institution, affiliated entity, or UNC General Administration financial statement audit.
 - 5. Provide a direct channel of communication to the full Board of Governors for the State Auditor and the results of external audits.

B. Internal Audit

1. Review an annual summary of the internal audit plans submitted by each constituent institution and UNC General Administration.
2. Review an annual summary of the internal audit activities overseen by the audit committee of each constituent institution's boards of trustees. This report will incorporate a summary of audits, reviews, investigations, or special assignments completed by the internal audit department of each constituent institution and UNC General Administration, and will note material reportable conditions and the status of their resolution.
3. Serve as the audit committee for UNC General Administration's internal audit function. In this capacity, the committee will:
 - a. Review and approve the Internal Audit Charter.
 - b. Approve the annual internal audit plan and all significant changes to the plan.
 - c. Confirm that internal audit coordinates with external auditors and regulators to provide optimal audit coverage, reduce duplication of work, and use audit resources effectively.
 - d. Review internal audit reports and periodic summaries of external and internal audit activities, including internal audit's performance relative to its annual plan.
 - e. Consider the scope and results of the internal audit activity and evaluate the adequacy of internal audit resources to ensure there are no budgetary or scope limitations that impede internal audit from executing its responsibilities. If necessary, review and approve proposals to outsource internal audit activities.
 - f. Review the organizational structure of the internal audit function to assure its independence and that no unjustified restrictions or limitations are placed upon the internal audit function.
 - g. Receive reports on significant findings and recommendations, along with management's responses. Review and resolve any significant disagreement between management, external auditors, or internal audit over audit related matters.
 - h. Consider the adequacy and effectiveness of the internal control systems, including information technology security and controls, and the system of monitoring compliance with laws and policies. Review the results from auditors, regulatory agencies, or management, including any recommendations and planned actions.
 - i. Oversee the institution's mechanisms for receiving, resolving, and retaining records of complaints regarding accounting, internal control, and operating matters. Receive briefings from management or internal audit regarding any significant complaints, internal control deficiencies, noncompliance, fraud, abuse, or misuse of State property.
 - j. Meet privately with the chief audit officer, as deemed necessary, to discuss matters that the committee or auditor believes should be discussed privately.
 - k. Monitor the effectiveness of the internal audit function, including adherence to The Institute of Internal Auditors' mandatory guidance, which includes the core principles for the profession, definition of internal auditing, code of ethics, and the *International Standards for the Professional Practice of Internal Auditing*. Ensure the chief audit officer complies with all reporting requirements of the NC Office of Internal Audit and UNC policies related to the internal audit function.
 - l. Provide a direct channel of communication to the full Board of Governors regarding relevant internal audit activities. Report committee activities and forward with recommendations to the full Board significant management initiatives resulting from internal/external audit activities.

C. Enterprise Risk Management and Compliance

1. Support the efforts, establishment of, and collaboration among the risk management, ethics, and compliance programs at the constituent institutions, including recommending to the Board University-wide policies regarding internal audit, enterprise risk management, and compliance.
2. Monitor through regular reports from UNC General Administration's general counsel and senior officers the system-wide risk management and compliance processes.

D. Other Responsibilities

1. Monitor the internal control and audit-finding resolution requirements for special responsibility constituent institutions.
2. Review a summary of the annual financial audit reports of the University's major associated entities.
3. Review the required elements of a University associated entity relationship.
4. Participate, when necessary, in training sessions related to system-wide internal controls, enterprise risk management and compliance, and internal/external audit issues.
5. Consult with UNC General Administration's general counsel to review any legal matters that may have a significant impact on a financial statement, overall financial performance, enterprise risk management, or compliance with applicable state, local, or federal laws and regulations.
6. Take other actions, as necessary, to ensure that risk exposures are identified and properly managed to assure the integrity of the finances, operations, and controls of the University.

The committee may modify or supplement these duties and responsibilities as needed.

The committee shall have the authority to engage independent counsel or other advisors as necessary to carry out its duties, in accordance with State rules and regulations. The committee may also request supplemental review or other audit procedures by internal audit, the State Auditor, or other advisors when the circumstances dictate that further review is required. UNC General Administration shall provide appropriate funding, as determined by the committee, for payment to advisors employed by the committee.

The committee shall annually review and assess the adequacy of the committee charter, with the assistance of staff at UNC General Administration. The committee chair will confirm annually that the relevant responsibilities in this charter have been carried out.

Last updated and approved March 2017



UNIVERSITY OF NORTH CAROLINA GENERAL ADMINISTRATION

Internal Audit Charter

I. Mission

The mission of the University of North Carolina General Administration's (UNC-GA) internal audit function is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations. Internal audit strives to help the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The internal audit function is dedicated to:

- Conforming to The Institute of Internal Auditor's Code of Ethics and demonstrating the highest level of integrity, objectivity, confidentiality, and competency.
- Building strong and effective working relationships with the UNC-GA's personnel, UNC Board of Governors, and other stakeholders through mutual respect and teamwork.
- Providing quality auditing and consulting services to UNC-GA and its affiliated organizations.

II. Role

The University of North Carolina is required to establish a program of internal auditing pursuant to N.C.G.S. § 143-746. The UNC-GA internal audit function shall be accountable to the UNC Board of Governors through the Committee on Audit, Risk Management, and Compliance (CARMC) and the president.

Internal audit partners and consults with management to help UNC-GA achieve its goals and to support compliance with policies, rules, and regulations. The internal audit staff seeks to proactively focus on the risk exposures that have the greatest impact on UNC-GA while being flexible to react to changing conditions. The internal audit scope encompasses, but is not limited to, examining and evaluating the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality in the execution of assigned responsibilities to achieve the organization's goals and objectives. This includes:

- A. Evaluating risks associated with achieving the organization's goals and objectives and whether risk management process is appropriately identifying and managing the risk exposure.
- B. Evaluating if resources are acquired economically, used efficiently, and adequately protected.
- C. Evaluating if significant financial, managerial, and operating information is accurate, reliable, and timely.
- D. Evaluating the systems used to ensure compliance with policies, standards, procedures, and applicable laws and regulations which could significantly impact the organization.
- E. Evaluating specific operations or programs to assess if results are consistent with established objectives and goals and whether those operations or programs are being carried out as planned.
- F. Monitoring and evaluating the governance processes and assessing if quality and continuous improvement are fostered in the organization's processes.
- G. Performing consulting and advisory services related to governance, risk management, and control.
- H. Reporting periodically on the internal audit's purpose, authority, and responsibility; performance of its audit plan; and the sufficiency of internal audit's resources.
- I. Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the president or CARMC.
- J. Evaluating specific operations at the request of management, the president, or CARMC, as appropriate.

III. Professional Standards

The internal audit function will strive to govern itself by adherence to The Institute of Internal Auditors' mandatory guidance, which includes the core principles for the profession, the definition of internal auditing, the code of ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes the fundamental requirements for the professional practice of internal auditing and the principles against which to evaluate the effectiveness of the internal audit function.

As applicable, the following will also be used to guide internal audit operations: The Institute of Internal Auditors' implementation and supplemental guidance (practice guides); *Government Auditing Standards* issued by the Comptroller General of the United States; relevant state and University policies and procedures; and the internal audit function's standard operating procedures manual.

IV. Independence and Objectivity

All internal audit activities will remain free from interference in determining the internal audit plan, scope, performance of procedures, frequency, timing, and report content.

The audit staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information. In addition, a balanced assessment will be made of all the relevant circumstances and the internal audit function will not be unduly influenced by personal interests or by others in forming judgments.

To maintain necessary independence and objectivity, the internal audit function reports administratively to the president or the president's designee and functionally to the Committee on Audit, Risk Management, and Compliance (CARMC). The chief audit officer shall have direct and unrestricted access to the president and the CARMC.

Administrative oversight includes day-to-day oversight such as approval of the chief audit officer's annual leave and travel. Functional oversight by the CARMC includes:

- A. Approve the annual internal audit plan and monitor progress at least quarterly.
- B. Review and accept internal audit reports when issued.
- C. Periodically review and approve the internal audit charter.
- D. Confirm and assure the independence of the internal audit function.
- E. Receive communications regarding the status and/or results of audit activities, approve any significant deviations from the audit plan, and assure the internal audit function has appropriate budget and staff resources.
- F. Meet privately with the chief audit officer as deemed necessary.
- G. Monitor the effectiveness of the internal audit function, including the efforts made to comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- H. Make appropriate inquiries of management and the chief audit officer to determine whether there are inappropriate scope or resource limitations.
- I. Resolve disagreements between internal audit and management concerning audit findings and recommendations.

The chief audit officer will confirm to the CARMC, at least annually, the organizational independence of the internal audit function.

V. Responsibility

Internal audit has the responsibility to:

- A. Develop a flexible annual audit plan using appropriate risk-based methodology, considering any risks or control concerns identified by management, and submit that plan to the president and the CARMC for review and approval
- B. Implement the annual audit plan as approved, including as appropriate, any special tasks or projects requested by management and/or the CARMC, to include:
 1. Conduct and coordinate audits, investigations, and reviews related to the programs and operations of the organization. These services may assess the adequacy of the organization's internal control, risk management, and governance process; the economy and efficiency of the policies and procedures governing the organization's programs and operations; and the organization's compliance with policies, laws, or regulations.
 2. Assist and/or conduct the investigation of suspected fraud or abuse within the organization and share the results with the president, the CARMC, and the appropriate levels of management.
 3. As appropriate, provide consulting and advisory services to management that add value and improve the governance, risk management, control processes, and operating procedures without the internal auditor assuming management responsibility. This may include evaluating and assessing significant functions as well as new or changing services, processes, operations, and control processes as deemed necessary.
 4. When necessary, solicit from management corrective actions taken or to be taken on significant findings and recommendations. Management's response should include a timetable for completion or an explanation for any recommendations that will not be implemented. After a reasonable time, conduct an appropriate follow-up on significant finding and report on the progress made by management to implement the corrective actions.
 5. At the conclusion of an engagement, prepare a written report that communicates the engagement's objective, scope, and significant results. When applicable, recommendations and management's response and planned corrective action should be provided. Reports are to be appropriately distributed and the results communicated to the CARMC.
- C. Adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls.
- D. Provide quarterly updates to the president and CARMC summarizing the status and/or results of audit activities, including communicating any significant deviation from the approved audit plan.
- E. Keep the president, management, and the CARMC informed concerning significant risk exposures, governance issues, internal control deficiencies, noncompliance, fraud, abuse, misuse of State property, and significant complaints.
- F. Consider the scope of work by other monitoring and compliance functions, as well as the external auditors and regulators, as appropriate, for the purpose of coordinating activities and/or avoiding duplication to provide optimal services to the organization.
- G. As needed, serve as a liaison between UNC-GA management and external auditors and regulators.
- H. Ensure the requirements are met with regard to internal audit activities set forth by the UNC Board of Governors and the North Carolina Council of Internal Auditing.
- I. Maintain sufficient knowledge, skills, competencies, and professional certifications to meet the requirements of the Charter and the internal audit *Standards*.

- J. Maintain a quality assurance and improvement program to: evaluate conformance with The Institute of Internal Auditors' *Standards*, core principles, definition of internal auditing, and code of ethics; assess the efficiency and effectiveness of the internal audit function; and identify opportunities for improvement. The chief audit officer will communicate to CARMC and senior management significant results from the quality assurance and improvement program, including, if necessary, plans to address significant issues noted from ongoing internal assessments, as well as external assessments that are conducted at least every five years.

VI. Authority

With strict accountability for confidentiality and safeguarding records and information, UNC-GA's internal audit function is authorized to:

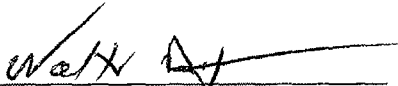
- Have full, free, and unrestricted access to all functions, records, property, and personnel in accordance with North Carolina General Statutes.
- Provide consulting services to management as deemed appropriate.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where audits are performed, as well as other specialized services from within or outside the organization, if needed to fulfill the internal audit roles and responsibilities.

The internal audit function is not authorized to:

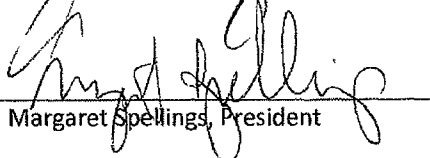
- Have direct operational responsibility or authority over any of the activities to be audited.
- Initiate or approve accounting transactions external to the internal audit function.
- Direct the activities of any UNC-GA employee not employed within internal audit function, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the chief audit officer.
- Implement internal controls, develop procedures, install systems, prepare records, or engage in activity that may impair internal auditor's judgment.


Joyce D. Boni, Chief Audit Officer

3/3/2017
Date


Walter C. Davenport, Committee Chair

3/3/17
Date


Margaret Spellings, President

3/8/17
Date

Last updated and approved March 2017

Sale of Special Obligation Bond – North Carolina State University at Raleigh

ISSUE OVERVIEW

The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvements projects that have been approved by the General Assembly.

NCSU requests that the Board issue a special obligation bond (the “2017 Bond”) in an amount not to exceed \$56,200,000 to finance and refinance the construction, equipping, and furnishing of Case Commons Residence Hall, renovations to Reynolds Coliseum and the completion of the Phytotron energy savings project.

The aggregate amount of authorization requested represents (1) \$15,000,000 in project authority granted under S.L. 2016-97 for Case Commons Residence Hall, (2) \$35,000,000 in project authority granted under S.L. 2014-60 for the renovation of Reynolds Coliseum and (3) \$6,200,000 in project authority granted under 2012-164 for the Phytotron energy savings project.

Specific funding sources for the current capital projects include gifts for the Reynolds renovation project, gifts and student receipts for the Case Commons Residence Hall, and energy savings for the Phytotron project (self-liquidating).

The 2017 Bond will be issued in a single series and privately placed with PNC Bank, National Association, who was selected through a competitive RFP process.

NCSU currently has an issuer credit rating of “Aa1” (stable outlook) from Moody’s Investors Service and “AA” (stable outlook) from S&P Global Ratings. Parker Poe Adams & Bernstein LLP is bond counsel, and First Tryon Advisors is the financial advisor.

It is recommended that the President of the University, or her designee, be authorized to sell the special obligation bond through the attached resolution.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AUTHORIZING
THE ISSUANCE OF A SPECIAL OBLIGATION BOND TO FINANCE SPECIAL OBLIGATION BOND PROJECTS
FOR NORTH CAROLINA STATE UNIVERSITY**

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “Board”) of the University of North Carolina (the “University”) is vested with general control and supervision of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina State University at Raleigh (“NC State”), The University of North Carolina at Asheville, The University of North Carolina at Chapel Hill, The University of North Carolina at Charlotte, The University of North Carolina at Greensboro, The University of North Carolina at Pembroke, The University of North Carolina at Wilmington, The University of North Carolina School of the Arts, Western Carolina University and Winston Salem State University and other institutions; and

WHEREAS, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “Act”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded; and

WHEREAS; the Board has determined to issue its North Carolina State University at Raleigh General Revenue Bond, Series 2017 (the “2017 Bond”) in a principal amount not to exceed \$56,200,000 to (a) finance and refinance the construction, equipping, and furnishing of Case Common Residence Hall as authorized by Chapter 97 of the 2016 Session Laws of the State of North Carolina, the renovation of Reynolds Coliseum as authorized by Chapter 60 of the 2014 Session Laws of the State of North Carolina, the completion of the Phytotron Energy Savings project as authorized by Chapter 164 of the 2012 Session Laws of the State of North Carolina and any other projects as have been approved by the Board for financing with special obligation bonds; (b) refund some or all of North Carolina State University at Raleigh General Revenue Bond, Series 2002A (commercial paper), the proceeds of which were used to pay costs of the projects referred to in (a) above and (c) if applicable, pay the costs incurred in connection with the issuance of the 2017 Bond (collectively all the projects to be financed and refinanced being the “Special Obligation Bond Projects”); and

WHEREAS, the Board has determined to issue the 2017 Bond under a General Trust Indenture dated as of October 1, 2001 (the “General Indenture”) between the Board and The Bank of New York, the successor to which is The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and Series Indenture, Number 13 dated as of March 2, 2017 (the “Thirteenth Series Indenture”) between the Board and the Trustee; and

WHEREAS, the 2017 Bond and other obligations issued under the General Indenture are payable solely from any funds of NC State or the Board in each Fiscal Year remaining after satisfying obligations of NC State or the Board under a trust indenture, trust agreement or bond resolution providing for the issuance of debt of the Board with respect to NC State as of the date of the General Indenture, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by NC State students, (3) funds whose purpose has been restricted by the gift, grant or

payee thereof, (4) revenues generated by Special Facilities (as defined in the General Indenture) and (5) funds restricted by law (the "Available Funds"); and

WHEREAS, NC State proposes that the Board sell the 2017 Bond to PNC Bank, National Association; and

WHEREAS, there have been made available to the Board forms of the following documents (the "Board Documents"), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the Thirteenth Series Indenture; and
2. the 2017 Bond in the form set forth in the Thirteenth Series Indenture; and

WHEREAS, the issuance of the 2017 Bond does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes to pay the cost, in whole or in part, of the Special Obligation Bond Projects in compliance with Section 116D-23 of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of the University of North Carolina as follows:

Section 1. *Authorization of 2017 Bond*. The Board hereby authorizes the issuance of the 2017 Bond in a principal amount not to exceed \$56,200,000 under the General Indenture and the Thirteenth Series Indenture.

Section 2. *Sufficiency of Available Funds*. The Board hereby finds that sufficient Available Funds are available to pay the principal of and interest on the 2017 Bond.

Section 3. *Authorization of Board Documents*. The form and content of the Board Documents be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman of the Board, the President of the University, the Senior Vice President for Finance and Budget of the University, the Secretary of the Board and the Secretary of the University, and their respective designees (the "Authorized Officers"), individually or collectively, be and they hereby are authorized, empowered and directed to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Board Documents the Authorized Officers, individually or collectively, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 4. *General Authority*. From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers and the Vice Chancellor for Finance and Administration at NC State, and their designees, individually or collectively, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take

APPENDIX D

any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the 2017 Bond.

Section 5. *Conflicting Provisions.* All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 6. *Effective Date.* This Resolution is effective immediately on the date of its adoption.

The foregoing Resolution was duly adopted by the Board at a regular meeting of the Board held on the 3rd day of March, 2017.

Sale of Special Obligation Bonds – WSSU

ISSUE OVERVIEW

The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvements projects that have been approved by the General Assembly. Specific funding sources for the current capital projects include student receipts for the residence facility and an approved debt service fee for the student center renovation (self-liquidating).

Winston-Salem State University requests that the Board issue special obligation bonds in an amount not to exceed \$29,500,000 (representing \$20,800,000 in aggregate project authority granted under S.L. 2013-394, plus up to five percent of such amount to pay, if necessary, certain issuance expenses as permitted by S.L. 2013-394) for the purpose of (1) constructing a New Residence Hall-Freshmen Living/Learning facility, (2) refund a portion of the outstanding The University of North Carolina System Pool Revenue Bonds, Series 2008A, the proceeds of which were loaned to WSSU, maturing on and after October 1, 2019 (the *“Refunded 2008A Bonds”*), and (3) finance the costs incurred in connection with the issuance of the Bonds . These bonds will be sold through a negotiated basis with an underwriter.

Winston-Salem State University currently has an issuer credit rating of “A3” (stable outlook) from Moody’s Investors Service and “A-” from S&P. Parker Poe Adams & Bernstein, LLP is bond counsel and First Tryon Advisors is the financial advisor.

RECOMMENDATION

It is recommended that the president of the University, or her designee, be authorized to sell the special obligation bonds through the attached resolution.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH
CAROLINA AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS TO FUND
THE SPECIAL OBLIGATION BOND PROJECT FOR WINSTON-SALEM STATE UNIVERSITY**

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “*Board*”) of the University of North Carolina (the “*University*”) is vested with general control and supervision of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina State University, The University of North Carolina at Asheville, The University of North Carolina at Chapel Hill, The University of North Carolina at Charlotte, The University of North Carolina at Greensboro, The University of North Carolina at Pembroke, The University of North Carolina at Wilmington, The University of North Carolina School of the Arts, Western Carolina University and Winston-Salem State University (“*WSSU*”) and other institutions; and

WHEREAS, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “*Act*”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded; and

WHEREAS; the Board has determined to issue Winston-Salem State General Revenue Bonds (with appropriate descriptions and series designations) in one or more series (the “*Bonds*”) in an aggregate principal amount not to exceed \$29,500,000 to (1) finance the costs of constructing and equipping a new residence hall on the WSSU campus, the financing of which was authorized by Chapter 394 of the 2013 Session Laws of North Carolina (the “*Special Obligation Bond Project*”), (2) refund a portion of the outstanding The University of North Carolina System Pool Revenue Bonds, Series 2008A, the proceeds of which were loaned to WSSU, maturing on and after October 1, 2019 (the “*Refunded 2008A Bonds*”), and (3) finance the costs incurred in connection with the issuance of the Bonds; and

WHEREAS, the Board has determined to issue the Bonds under the General Trust Indenture dated as of July 1, 2013 (the “*General Indenture*”) between the Board and U. S. Bank National Association, as trustee (the “*Trustee*”), and Series Indenture, Number 2 (the “*Second Series Indenture*”) dated as of March 1, 2017, between the Board and the Trustee; and

WHEREAS, the Bonds and other obligations issued under the General Indenture are payable solely from any funds of WSSU or the Board in each Fiscal Year, but excluding (1) appropriations by the General Assembly of the State of North Carolina from the State General Fund, (2) tuition payments by WSSU students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof, (4) revenues generated by Special Facilities (as defined in the General Indenture) and (5) funds restricted by law (the “*Available Funds*”);

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WHEREAS, FTN Financial Capital Markets, a division of First Tennessee Bank National Association (the “*Underwriter*”), will agree to purchase all of the Bonds pursuant to the terms of a bond purchase agreement (the “*Purchase Agreement*”) between the Board and the Underwriter; and

WHEREAS, there have been made available to the Board forms of the following documents (the “*Board Documents*”), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the Second Series Indenture;
2. the Purchase Agreement;
3. the Preliminary Official Statement (the “*Preliminary Official Statement*”) relating to the Bonds, which after the inclusion of certain pricing and other information will become the final Official Statement (the “*Official Statement*”) relating to the Bonds;
4. the Bonds in the form set forth in the Second Series Indenture; and
5. the Escrow Agreement (the “*Escrow Agreement*”) between the Board and The Bank of New York Mellon Trust Company, N.A., as escrow agent, with respect to the defeasance of the Board’s Pool System Revenue Bonds, Series 2008A, allocable to WSSU and maturing on and after October 1, 2019; and

WHEREAS, the issuance of the Bonds does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes to pay the cost, in whole or in part, of the Special Obligation Bond Project in compliance with Section 116D-23 of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of the University as follows:

Section 1. **Authorization of Bonds.** That the Board hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$29,500,000 under the General Indenture and the Second Series Indenture. The Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds and taxable bonds as the Senior Vice President and Chief Operating Officer of the University, in consultation with the appropriate officers at WSSU, determine to be in the best interest of the University and WSSU.

Section 2. **Sufficiency of Available Funds.** That the Board hereby finds that sufficient Available Funds are available to pay the principal of and interest on the Bonds.

Section 3. **Authorization of Board Documents.** That the form and content of the Board Documents be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman of the Board, the President, the Senior Vice President and Chief Operating Officer of the University, the Secretary and Assistant Secretary of the Board and the Secretary of the University be and

they hereby are each authorized, empowered and directed to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Board Documents the President, the Senior Vice President and Chief Operating Officer of the University, the Secretary and Assistant Secretary of the Board and the Secretary of the University are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 4. ***Authorization of Preliminary Official Statement and Official Statement.*** That the form, terms and content of the Preliminary Official Statement be and the same hereby are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriter in connection with the sale of the Bonds is hereby in all respects authorized, approved, ratified and confirmed. The President and the Senior Vice President and Chief Operating Officer of the University be and they hereby are each authorized, empowered and directed to deliver the Official Statement for and on behalf of the Board in substantially the form and content of the Preliminary Official Statement presented to the Board, but with such changes, modifications, additions or deletions therein as shall to him seem necessary, desirable or appropriate, his execution of the Purchase Agreement to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein, and the use of the Official Statement by the Underwriter in connection with the sale of the Bonds with investors is hereby authorized, approved and confirmed.

Section 5. ***General Authority.*** From and after the execution and delivery of the documents hereinabove authorized, the President, the Senior Vice President and Chief Operating Officer of the University, the Secretary and Assistant Secretary of the Board and the Secretary of the University are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the Bonds.

Section 6. ***Conflicting Provisions.*** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

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Section 7. ***Effective Date.*** This Resolution is effective immediately on the date of its adoption.

The foregoing Resolution was duly adopted by the Board at a regular meeting of the Board held on the 3rd day of March, 2017.

Authorization of Property Acquisition by Lease – UNCP

ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

Property Acquisition – Amendment to Lease

GRANTOR:	UNCP University Foundation, LLC
GRANTEE:	State of NC, The University of North Carolina at Pembroke (UNCP)
LOCATION:	567 University Road Pembroke, NC 28372
NAME:	University Courtyard, 336 apartment bedrooms
CURRENT TERM:	July 1, 2012 through June 30, 2017
AMENDED TERM:	July 1, 2012 through June 30, 2036
LEASE AMOUNT:	\$1,947,120.00 (FY 2016-17), paid in three installments each year. Rent for any Renewal Term shall be increased by an amount equal to the CPI for the preceding year
SOURCE OF FUNDS:	Housing receipts

RECOMMENDATION

It is recommended that this request from The University of North Carolina at Pembroke be approved.

This item requires a vote.

Capital Improvements Projects – ASU, NCSU, UNCC, UNCW, and WSSU

ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with non-appropriated capital projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

Five UNC institutions have requested a total of nine capital improvements projects: three projects for increased authorization and six new projects for authority.

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Authorization Type	Funding Source
Appalachian State University						
1	Stadium Video Scoreboard Structure	\$535,106	-	\$535,106	New Project	Foundation
<i>ASU Subtotal</i>		<i>\$ 535,106</i>	<i>\$0</i>	<i>\$ 535,106</i>		
North Carolina State University						
2	Owen Hall Renovation	\$1,800,000	\$ 1,450,000	\$350,000	Increase	Housing Receipts
3	Patterson Hall Business Center Renovation	\$2,432,025	\$1,637,025	\$795,000	Increase	Carry-forward (CF)
<i>NCSU Subtotal</i>		<i>\$4,232,025</i>	<i>\$3,087,025</i>	<i>\$1,145,000</i>		
The University of North Carolina at Charlotte						
4	Parking Lots Revitalization	\$1,600,000	-	\$1,600,000	New Project	Parking Receipts
5	Student Activity Center IT Upgrade	\$1,800,000	-	\$1,800,000	New Project	Student Activity Center Debt Fee
6	Facilities Operations (FO) Complex	\$24,734,893	\$5,929,800	\$18,805,093	Increase	Infrastructure Development Funds (80%)/ F&A(9%)/ Parking Receipts(11%)
<i>UNCC Subtotal</i>		<i>\$28,134,893</i>	<i>\$5,929,800</i>	<i>\$22,205,093</i>		
The University of North Carolina at Wilmington						
7	Randall Library Fire Alarm System Replacement	\$725,000	-	\$725,000	New Project	Carry-forward (CF)
8	Randall Library Restroom Additions and Refurbishments	\$731,711	-	\$731,711	New Project	Carry-forward (CF)
<i>UNCW Subtotal</i>		<i>\$1,456,711</i>	<i>\$0</i>	<i>\$1,456,711</i>		

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Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Authorization Type	Funding Source
Winston-Salem State University						
9	Campus Bookstore Expansion	\$600,000	-	\$600,000	New Project	Bookstore Receipts/Vendor Tenant
<i>WSSU Subtotal</i>		<i>\$600,000</i>	<i>\$0</i>	<i>\$600,000</i>		
Grand Total		\$34,958,735	\$9,016,825	\$25,941,910		

RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that these projects be authorized and reported to the Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

**Request for Authorization to Establish the
Bachelor of Music in Music Education at
University of North Carolina at Wilmington**

The University of North Carolina at Wilmington has requested establishment of the BM in Music Education (CIP 13.1312).

The BM in Music Education degree program was first established at UNC Wilmington in 1990. In March 2016, the BM in Music Education was included in error among several UNCW education degree programs that were discontinued. These actions were taken such that students pursuing teacher licensure would do so through the various content area degree programs; however, this approach is not possible with the BA in Music because the curriculum cannot accommodate the depth of requirements for music educators to demonstrate mastery. Board action is required to reinstate the program.

Recommendation: It is recommended that the Board of Governors approve UNC Wilmington's request to establish the BM in Music Education.

**Request for Authorization to Establish the
Bachelor of Science in Special Education at
Elizabeth City State University**

Elizabeth City State University has requested establishment of the **Bachelor of Science in Special Education** (CIP 131001).

The Bachelor of Science in Special Education degree program was first established at Elizabeth City State University in 1978. In December 2016, the Elizabeth City State University Task Force presented its report with the revitalization of the education programs as a priority. The Bachelor of Science in Special Education was included in error among several ECSU education degree programs that were discontinued in March 2016. The regional demand for special education teacher training and the recent Task Force recommendations speak to the need for this degree. Board action is required to reinstate the program.

Recommendation: It is recommended that the Board of Governors approve Elizabeth City State University's request to establish the Bachelor of Science in Special Education.

**Requests for Authorization to Discontinue
Academic Degree Programs**

UNC Charlotte – Bachelor of Science in Economics, Social Sciences – (CIP: 45-0601)

This program will be consolidated with the Bachelor of Science in Economics (CIP: 52-0601). The degree had been folded into the Economics-Business Administration degree once that degree was established. Now the Economics program operates as a sole degree in Economics with two concentrations: 1) Business, 2) Liberal Arts. There are no students enrolled in this degree program.

UNC Charlotte – Master of Education in Health Promotion – (CIP: 51-2207)

The Health Promotion program has not existed since the creation of the Master of Public Health (MPH) program at UNC Charlotte in 1981 which grew out of the former. There are no students enrolled.

TO: President Margaret Spellings
RE: UNCGA Staff Report and Recommendations for Authorization and Licensure
**FROM: Kimberly van Noort, Vice President for Academic Programs, Faculty,
And Research**
DATE: February 13, 2017

After careful consideration of the Team of Examiners' Reports, institutional responses, and various consultations, we present the following proposals and attendant recommendations for your consideration.

Chamberlain College of Nursing – Downers Grove, IL

BACKGROUND INFORMATION

The Chamberlain College of Nursing is a private, for-profit institution that is a subsidiary of DeVry, Inc. The Deaconess College of Nursing was established in 1889 in St. Louis, Missouri for the purpose of educating Deaconess Sisters as professional nurses. In 2005, DeVry, Inc. acquired the college and changed its name to Chamberlain College of Nursing. The college has been in continuous operation since 1889. While Chamberlain has physical campuses in ten states, the national headquarters is located in Downers Grove, Illinois.

Chamberlain is regionally accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools. The nursing programs are accredited by the Commission on Collegiate Nursing Education.

THE APPLICATION AND SITE VISIT

The Chamberlain College of Nursing has applied for licensure to offer the following degree and certificate programs online in North Carolina:

- Master of Science in Nursing (MSN) – Family Nurse Practitioner
- Graduate Certificate in Nursing Education
- Graduate Certificate in Nursing Informatics

In accordance with the Rules and Standards: Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina, a Team of Examiners was appointed to review the application, visit the institution, and evaluate compliance with the licensure standards

On 5/22/13, a Team of Examiners conducted a site visit to the Chamberlain College of Nursing home office in Illinois to review three programs submitted for licensure in North Carolina. On 6/18/14, a subset of the review team conducted a second site visit to the Chamberlain campus in Houston, Texas. Prior to and during the visits, the Team of Examiners reviewed documentation submitted in the license application including curricula for the proposed degree programs; course syllabi; library resources (both print and electronic); faculty curriculum vita; instructional resources; educational facilities, including laboratories and equipment; audited financial statements; and the Chamberlain College of Nursing 2012-2013 Academic Catalog, Faculty Handbook, Student Handbook, and College Assessment Program.

During the two site visits, the Examiners met with numerous administrators, faculty, staff, and students of the Chamberlain College of Nursing.

After the two site visits, the institution submitted a supplemental application for the online nursing degree and graduate certificate programs. A subject matter expert was appointed in January 2015 to conduct a review of those programs.

At its October 24, 2014 meeting, the Board approved programs that were included in the Team of Examiners' report about the institution's compliance with the Rules and Standards for Licensure.

- Master of Science in Nursing (MSN)
- Graduate Certificate in Nursing Education and Nursing Informatics

RECOMMENDATIONS

After the site visits, the Team submitted its *Report to the President of The University of North Carolina from the Team of Examiners for the Visits to Review Chamberlain College of Nursing's Proposed Online Graduate Degree Programs and On-Ground BSN Program*. In the report, the Team of Examiners included eight suggestions and ten recommendations about the proposed degree programs. The recommendations addressed issues of educational laboratories, library resources, faculty credentials, the tuition guaranty bond, and information to be included in the Chamberlain College of Nursing Catalog and Student Handbook.

Upon review of the Team of Examiners' report, and Chamberlain College's response to the recommendations and suggestions of that report, the UNC General Administration staff finds that recommendations have been satisfactorily addressed, and recommends that Chamberlain College be licensed to offer the degree programs requested.

An appropriate review will be performed within two calendar years of the initiation of the licensed degree programs, by UNC GA, to ascertain the institution's compliance with the Rules and Standards, including the recommendations contained in the report.

Living University – Charlotte, North Carolina

BACKGROUND INFORMATION

Living University is a non-profit institution sponsored by the Living Church of God. The university is currently authorized as a religious-exempt institution in Charlotte, North Carolina to offer the Associate of Theology and Bachelor of Theology degree programs. The institution also offers a number of religious education certificate and diploma programs. The university focuses on delivery of online coursework and offers no traditional "face-to-face" courses. Living University is not accredited by any agency recognized by the U.S. Department of Education.

The university shares facilities with the Living Church of God in Charlotte, North Carolina in the church's international headquarters complex. The Living Church of God is the major financial supporter of the university through cash subsidies and other (non-cash) allocations.

THE APPLICATION AND SITE VISIT

Living University is seeking licensure to offer the following secular programs and courses online in North Carolina:

- Associate of Arts degree
- A baccalaureate degree minor in business
- A baccalaureate degree minor in communication
- Undergraduate courses in the arts and sciences, business and professional disciplines (accounting, business, education, nutrition, and physical education)

In accordance with the Rules and Standards: Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina, a Team of Examiners was appointed to review the application, visit the institution, and evaluate compliance with the licensure standards

The Team of Examiners conducted a site visit at the Living University campus in Charlotte, North Carolina on November 16, 2015. The Team evaluated the facilities and resources of the institution during its site visit and the following reports and documents before and during the visit: Living University's licensure/compliance application and the accompanying exhibits; curricula for the proposed programs; course syllabi; faculty credentials; library and electronic resources; budget data; annual financial reports; excerpts from the Living University Faculty Handbook; Living University Student Handbook 2014-2016; Living University Course Development Guide 2014; Living University Legislative Handbook for 2015-2016; Living University Strategic Long-Range Plan for 2013-2018; Living University Report on the Strategic Long-Range Plan Cycle 2 (2014-2018) and the Living University General Catalog 2015 – 2016.

The Team also reviewed written responses from the university about its implementation of best practices for delivering online/distance education programs. During the visit, the Team met with numerous faculty, administrators, staff and students of Living University.

A second site visit was conducted on September 9, 2016 to review Living University's new housing facilities for on-campus students.

RECOMMENDATIONS

After the site visit, the Team of Examiners submitted its *Report to the President of The University of North Carolina from the Team of Examiners to Review Living University's Proposed Associate of Arts Degree Program and Selected Courses to Be Offered Online in North Carolina*. The report included 15 recommendations and 3 suggestions concerning the proposed degree program and courses. The recommendations addressed issues of curriculum, faculty qualifications, library resources, staffing and facilities, and the tuition guaranty bond.

Upon review of the Team of Examiners' report, and Living University's response to the recommendations and suggestions of that report, the UNC General Administration staff finds that

recommendations have been satisfactorily addressed, and recommends that Living University be licensed to offer the degree programs requested.

An appropriate review will be performed within two calendar years of the initiation of the licensed degree programs, by UNC GA, to ascertain the institution's compliance with the Rules and Standards, including the recommendations contained in the report.

Western Governors University – Salt Lake City, Utah

BACKGROUND INFORMATION

Western Governors University (WGU) was incorporated as a private, nonprofit online university in 1997. The university was founded and supported by 19 U.S. governors. WGU grew out of a 1995 bipartisan meeting of the Western Governors Association, with the agreement that it would make “maximum use of distance learning technologies, would be collaborative among the western member states, and would use competencies rather than seat time as the measure of its outcomes.” The five themes critical to its design are: responsiveness to employment and societal needs, focus on competency-based education, expanding access, cost-effectiveness, and development of a technology infrastructure. The university describes itself as a teaching and non-research-based university.

All WGU programs follow the competency-based educational (CBE) model. In CBE programs, the academic credit that students receive for their course work is based on the demonstration of skills learned (outcomes or competencies), rather than on the amount of time spent in the classroom (typically measured by the credit hour). In its license application, WGU defines a competency unit (CU) as “the equivalent of one semester hour of learning in the traditional university.” The university describes its competency-based program design process as “based on national and state educational and professional standards . . . [from which] competency statements and corresponding learning objectives are created.” As part of this process, a working group creates expected course outcomes and a plan for assessing competency at the “appropriate cognitive level based on the content and the position of the course” in the standard path of courses identified for the program.

Western Governors University is chartered and approved by the State of Utah and is regionally accredited by the Northwest Commission on Colleges and Universities. The teacher education programs are accredited by the National Council for Accreditation of Teacher Education.

THE APPLICATION AND SITE VISIT

Western Governors University is proposing to offer the following academic programs online in North Carolina.

- ***BACHELOR OF ARTS, INTERDISCIPLINARY STUDIES (K-8)***
- ***BACHELOR OF ARTS, SPECIAL EDUCATION (K-12)***
- ***BACHELOR OF ARTS, MATHEMATICS (2): Mathematics (5-9) and Mathematics (5-12)***

- **BACHELOR OF ARTS, SCIENCE (5):** Science (5-9), Biological Science (5-12), Chemistry (5-12), Geosciences (5-12), and Physics (5-12)
- **POST-BACCALAUREATE TEACHER PREPARATION (6):** ELEMENTARY EDUCATION (K-8), MATHEMATICS (5-9) and (5-12), SCIENCE (5-9) and (5-12), and SOCIAL SCIENCE (5-12)
- **MASTER OF ARTS IN TEACHING (7):** Elementary Education (K-8), Mathematics (5-9) and (5-12), Science (5-9) and (5-12), Social Science (5-12), and English (5-12)
- **MASTER OF ARTS, MATHEMATICS EDUCATION (3):** K-6, 5-9, and 5-12
- **MASTER OF ARTS, SCIENCE EDUCATION (5):** Science Education (5-9), Biological Sciences (5-12), Chemistry (5-12), Geosciences (5-12), and Physics (5-12)
- **MASTER OF SCIENCE, SPECIAL EDUCATION (K-12)**
- **ENDORSEMENT PREPARATION PROGRAM, ENGLISH LANGUAGE LEARNING**
- **MASTER OF ARTS, ENGLISH LANGUAGE LEARNING (PREK-12)**
- **ENDORSEMENT PREPARATION PROGRAM, EDUCATIONAL LEADERSHIP**
- **MASTER OF SCIENCE, EDUCATIONAL LEADERSHIP**
- **MASTER OF SCIENCE, CURRICULUM AND INSTRUCTION**
- **MASTER OF EDUCATION (2):** Instructional Design, and Learning and Technology

In accordance with the *Rules and Standards: Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina*, a Team of Examiners was appointed to review the application, visit the institution, and evaluate compliance with the licensure standards.

The Team of Examiners conducted a site visit at Western Governors University in Salt Lake City, Utah on March 30, 2016. The Team evaluated the facilities and resources of the university during its site visit, and reports and documents before and during the visit, including the following: the Western Governors University licensure/compliance application and the accompanying exhibits, course syllabi, faculty credentials, budget data, annual financial reports, the WGU *University Catalog*, Volume MMXVI, No. 2 (April 2016), and the WGU *Employee Handbook* (06-01-12).

During the visit, the Team of Examiners met with representatives of the WGU senior administration, faculty, staff and students.

On December 2, 2016, the Board of Governors approved degree programs in business and nursing.

RECOMMENDATIONS

The 153-page team report included 123 recommendations and 39 suggestions addressing the proposed 61 programs. The recommendations covered issues of faculty qualifications, faculty approval of the curriculum, program differentiation, program content, opportunities for collaboration, and student to mentor/faculty ratios.

Upon review of the Team of Examiners' report, and Western Governors University's response to the recommendations and suggestions of that report, the UNC General Administration staff finds that recommendations for the programs below have been satisfactorily addressed, and recommends that Western Governors University be licensed to offer the requested degree programs.

APPENDIX K

An appropriate review will be performed within two calendar years of the initiation of the licensed degree programs, by UNC GA, to ascertain the institution's compliance with the Rules and Standards, including the recommendations contained in the report.

Executive Summary

Charlotte Teacher Early College (CTEC)

Overview

Charlotte Teacher Early College (CTEC) is a collaboration between UNC Charlotte and Charlotte-Mecklenburg Schools (CMS) for students seeking education careers. CTEC is a new school option within CMS admitting students who are first generation college applicants, at-risk of dropping out, or seeking accelerated studies. CTEC will emphasize secondary education and is designed to provide a diverse beginning teacher applicant pool, including men, and address the region's teacher shortage.

CTEC will redesign the pre-professional education program, utilizing project-based instruction and intentional field-based learning activities. Beginning in grade 10, students will enroll in college coursework intended to develop the skills and pedagogical knowledge required for success within today's diverse urban classrooms. Upon high school graduation, students will have

- Earned a high school diploma,
- Earned a Certificate of Advanced Standing in Education, and will have
- Earned 60 plus transferable college credits.

The Early College target student population

The CTEC program is focused on recruiting first generation college students and students who are seeking an accelerated high school academic experience. Additional recruitment efforts will seek students who have become discouraged with schooling and unable to envision their educational future, but still aspire to become teachers. Special recruiting efforts will be implemented to ensure all student groups are fully aware of the opportunity CTEC affords them for success in high school and beyond.

Projected enrollment and location

CTEC's students will attend classes on UNC Charlotte's main campus and enroll in university classes starting in their sophomore year. CTEC classes will be assigned meeting and classroom space in the College of Education building on the UNC Charlotte campus.

ENROLLMENT

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Grade 9	55	100	100	100	100
Grade 10	55	55	100	100	100
Grade 11		55	55	100	100
Grade 12			55	55	100
Grade 13				55	55
		41/191			



PUBLIC SCHOOLS OF NORTH CAROLINA
State Board of Education
Department of Public Instruction



COOPERATIVE INNOVATIVE HIGH SCHOOL APPLICATION SIGNATURE PAGE

In accordance with N.C.G.S. 115C-238.50-.55 | APPLICATION CYCLE 2016-17

Proposed Cooperative Innovative High School (CIHS) Name: **Charlotte Teacher Cadet Early College**
Planned Location and Physical Address: **UNC Charlotte, College of Education, 9201 University City Blvd.,**
Local Education Agency (LEA) Name: **Charlotte-Mecklenburg Schools**
LEA Number: **600**
Institution of Higher Education (IHE) Partner Name: **Charlotte-Mecklenburg Schools**

APPLICANT SIGNATURES:

REQUIRED PARTNER SIGNATURES

Mary J. McCray

Chairperson, Local Board of Education

9-8-16

Date

Ann Clark

Superintendent, Local Education Agency

9-8-16

Date

J. P. Nixon

Chairperson, Board of Trustees of IHE Partner

9-12-16

Date

Please check one: ☐ Local Community College
☒ UNC Campus
☐ Independent College/University

OPTIONAL OTHER COLLABORATORS SIGNATURES

Business Partner or County Commissioners

Date

FOR INTERNAL USE ONLY

CIHS STATUS: ☐ Approved ☐ Not Approved

APPROVAL SIGNATURES:

Chairperson, State Board of Education

Date

Chairperson, Governing Board of Institution of Higher Education

Date

Please check one: ☐ State Board of Community Colleges
☐ UNC Board of Governors



PUBLIC SCHOOLS OF NORTH CAROLINA
State Board of Education
Department of Public Instruction



COOPERATIVE INNOVATIVE HIGH SCHOOL APPLICATION

In accordance with N.C.G.S. 115C-238.50-.55 | APPLICATION CYCLE 2016-17

APPLICATION DUE SEPTEMBER 15, 2016

For opening in Fall 2017

Submitted to the Joint Advisory Committee, NC State Board of Education, NC State Board of Community Colleges and University of North Carolina Board of Governors and North Carolina Independent Colleges and Universities

PART A – INITIAL APPLICANT INFORMATION

Proposed Cooperative Innovative High School (CIHS) Name: **Charlotte Teacher Early College**

Planned Location and Physical Address: **UNC Charlotte, College of Education, 9201 University City Blvd., Charlotte, NC 28223**

Local Education Agency (LEA) Name: **Charlotte-Mecklenburg Schools**

LEA Number: **600**

Institution of Higher Education (IHE) Partner Name: **UNC Charlotte, College of Education**

Other Program Collaborators:

PREVIOUS STATUS: Is this school currently an approved CIHS? ☒ No ☐ Yes

FUNDING REQUEST: Are you requesting additional state funds? ☐ No ☒ Yes

PART B – BASIC OVERVIEW OF PROPOSED CIHS

PRIMARY CONTACT INFORMATION

LEA Contact Name: **Jimmy Chancey**

Role: **Director, Career and Technical Education**

Email: **j.chancey@cms.k12.nc.us**

Phone: **980-343-2736**

IHE Contact Name: **S. Michael Putman, Ph.D.**

Role: **Professor, Chairperson**

Email: **sputman@unc.edu**

Phone: **704-687-8019**

SUMMARY DESCRIPTION OF CIHS (LESS THAN 150 WORDS)

Charlotte Teacher Early College (CTEC) is a collaboration between UNC Charlotte and Charlotte-Mecklenburg Schools (CMS) for students seeking education careers. CTCC is a new school option within CMS admitting students who are first generation college applicants, at-risk of dropping out, or seeking accelerated studies. CTEC will emphasize secondary education and is designed to provide a diverse beginning teacher applicant pool, including men, and address the region's teacher shortage.

CTEC will redesign the pre-professional education program, utilizing project-based instruction and intentional field-based learning activities. Beginning in grade 10, students will enroll in college coursework intended to develop the skills and pedagogical knowledge required for success within today's diverse urban classrooms.

Upon high school graduation students will receive their diploma, a Certificate of Advanced Standing in Education, acquire an understanding of innovative and effective teaching practices, and earn 60 plus college credits transferable to a UNC System institution.

STUDENT TARGET POPULATION

Indicate the population(s) to be served:

- ☒ High school students at risk of dropping out before attaining a high school diploma.
- ☒ High school students with parents who did not continue education beyond high school, defined as "first generation college students" by the USED.

** US Department of Education (USED) defines a first generation college student as a student from a family in which neither parent (whether natural or adoptive) received a baccalaureate degree or a student who, prior to the age of 18, regularly resided with and received support from only one natural or adoptive parent and whose supporting parent did not receive a baccalaureate degree.*

- ☒ High school students who would benefit from accelerated academic instruction.

GRADE LEVELS OFFERED

Check all grades that apply: ☒ Grade 9 ☒ Grade 10 ☒ Grade 11 ☒ Grade 12 ☒ Grade 13

PROGRAM FOCUS

Which program of study will be offered at the CIHS?

- ☐ Career and Technical Education Programs ☐ College Transfer Programs ☒ Both

How will the CIHS serve students beyond what is already available through the College Transfer pathway and/or Career Technical Education pathway of Career and College Promise? Clearly state how your proposed school is a different program.

Charlotte Teacher Early College (CTEC) is a new high school, grades 9-13, expanding the District's unique school options affording parents an opportunity to decide the best educational experience/placement for their child. Students within the CTEC program will experience significant differences between the CTEC program and their home school in school culture, course offerings and outcomes.

First and foremost, enrollment in the CTEC program is optional giving both parents and students a sense of ownership with the school attendance decision contributing to a higher feeling of school engagement. Because of the school's limited enrollment, both faculty and administrators are able to develop meaningful supportive relationships with each student and their parents. The family's sense of engagement and the supportive student-centered focus within a small school learning community, such as an early college option, provide a school culture/environment typically absent within larger high schools.

In traditional high schools the curricula offerings include a wide range of courses and cognitive levels from standard level to Advanced Placement, International Baccalaureate courses, and dual enrollment options provided for select students. CTEC's program of study will include only honors and college level courses for all students, erasing the stigma of certain courses reserved for some students. CTEC will create an environment of high expectations and academic rigor for all students by providing all students equal access to rigorous coursework.

Grade 13, unavailable at the non-Cooperative Innovative High Schools, will allow CTEC students to go beyond the Career and College Promise expectation of two years of college transfer credits. CTEC students will earn up to 60 plus hours of university credit upon graduation. In addition, upon high school graduation after Grade 13, CTEC students wishing to pursue a gap year prior to finishing their Bachelor's level education will have sufficient university credit hours (48 +) to be employed as a Teacher Assistant, thus contributing to the CTEC's program goal of providing a diverse and work ready talent pool to assist school districts in the education of its children.

The development of a Certificate of Advanced Standing in Education, similar to an Educational Specialist, identifying CTEC students as program completers with educational and clinical field experiences is proposed. Although the Certificate of Advanced Standing in Education is outside of the traditional Career Technical certificate realm, it emulates the intent of an industry standard certification demonstrating a level of proficiency within the Education Cluster. This will institutionalize the CTEC graduates as Career and College Ready individuals fully prepared to continue their career aspirations within the educational sector, whether they choose to enter the workforce directly or matriculate into a university teacher education program with a certification. This certification is not available in the Career and College Promise program.

STUDENT ENROLLMENT AND ADMISSION PROCESS

Describe the student enrollment and admissions process, include specific selection criteria and recruitment efforts.

CTEC program is focused on recruiting first generation college students and students who are seeking an accelerated high school academic experience. Additional recruitment efforts will seek students who have become discouraged with schooling and unable to vision their educational future, but still aspire to become teachers. Special recruiting efforts will be implemented to ensure these student groups are fully aware of the opportunity CTEC affords them for success in high school and beyond.

CTEC's initial recruitment efforts will begin in November 2016 with a mailing targeting all rising 9th and 10th grade students within CMS announcing this new early college option. Prior to the first lottery opening in December 2016, a follow-up parental letter will be sent to Title I high school students' households reinforcing the CTEC program option/opportunity. In addition, the letter will include a step-by-step outline for the lottery process. If needed a continued recruitment effort between March and June 2017 within the second lottery window will complete CTEC's first student body cohort enrollment.

CTEC's general informational marketing campaign during November and December 2016 will proceed utilizing public communication avenues:

- Career Development Coordinators (CDC) will provide general information presentations for rising 9th graders within middle schools throughout the district;
- Special AVID and Communities in Schools (CIS) student/parent presentations to ensure CMS partner organizations working with potential first generation college students are fully informed of the CTEC program opening 2017;
- Community and faith-based partner presentations will provide multiple parental opportunities to investigate the CTEC program in advance of the CMS School Options Fair on Saturday, January 7, 2017;
- Between November 2016 and January 2017 several CTEC Open Houses will be held on the UNC Charlotte Main Campus; and,
- Social media, Peach Jar, Twitter, CMS and UNC Charlotte's Cable Channel announcements and videos, and local weekly news media will be utilized.

Annual student recruitment efforts will follow the general activities/timelines outlined above. However, future recruitment efforts will include CTEC student ambassadors providing student mentors/role models for UNC Charlotte's summer camps for elementary/middle grades students and the Charlotte Freedom Schools Partners programs. In addition, CTEC students participating in pre-professional clinical sites as Teacher Cadets within elementary and middle schools can inform, encourage and mentor students to consider the CTEC program as a viable high school option of achieving their dream of becoming a teacher within an urban city, such as Charlotte, NC.

PROJECTED STUDENT ENROLLMENT, INDICATE APPROPRIATE GRADE LEVELS

	Year 1	Year 2	Year 3	Year 4	Year 5
Grade 9	55	100	100	100	100
Grade 10	55	55	100	100	100
Grade 11		55	55	100	100
Grade 12			55	55	100
Grade 13				55	55

If serving less than 100 students per grade level, explain your reasons.

CTEC's first year, 2017-2018, is designed to serve 55 students in each grade level 9 & 10 rather than 100 students per grade level as allowed by the CIHS legislation. This reduced class cohort size ensures adequate support systems are developed within the first year of operation serving 110 students overall within the student body. As depicted in the chart above, subsequent entering 9th grade cohorts in 2018-2019 and beyond will have 100 students each. CTEC expansion to capacity of 500 students, 100 students per grade levels 9-13, will occur in 2022-2023.

PART C – PROGRAM INFORMATION

COMPREHENSIVE DESCRIPTION

Describe fully the CIHS, addressing all relevant purposes outlined in the N. C. G. S. 115C-238.50 (a,b). How will this proposed CIHS better prepare students to be college and career ready?

§ 115C-238.50 (a): Program Purpose: Charlotte Teacher Early College (CTEC) is a new Charlotte-Mecklenburg Schools' (CMS) high school option for parents and students in partnership with UNC Charlotte's College of Education offering pre-professional studies in grades 9 through 13. It will serve students who are seeking an accelerated high school program, first generation college attendees, and students demonstrating an at-risk tendency of dropping out of school. Students will be admitted to the CTEC program through an open application, race-neutral lottery system.

§ 115C-238.50 (b)(1)(1a): Preparation for Work and Career: The five-year program of study is designed to graduate students with a high school diploma, a Certificate of Advanced Standing in Education, and a minimum of 60 plus hours of transferable university coursework. The attainment of the Certificate of Advanced Standing and transferable university credit demonstrates a level of knowledge and skills associated with college readiness within the Education Sector. This demonstrates a level of college readiness beyond high school graduation. Furthermore, the Certificate of Advanced Standing in Education indicates employability as a teacher assistant within local school districts demonstrating career readiness beyond high school graduation. Both career and

college indicators demonstrate CTEC graduating students will be adequately prepared, competent, and well suited to pursue their future career aspirations in education.

§ 115C-238.50 (b)(4): Shared Resources: CTEC's students will attend classes on UNC Charlotte's main campus and enroll in university classes starting in their sophomore year, enabling them to earn college credit while in high school. CTEC classes during the freshman and sophomore years will be assigned meeting and classroom space in the College of Education building on the UNC Charlotte campus. The College of Education building is in close proximity to several CMS schools, including Newell Elementary, Grier Elementary, Morehead STEM Academy, and Vance High School. As a result, students will be able to complete the Teacher Cadet I and Teacher Cadet II experiences at these schools.

CTEC students will continue to participate in urban school clinical placements focused on developing relationships with students who represent future attendees of the CTCEC program. Each year students will have an opportunity to participate in service learning activities within UNC Charlotte's summer camp programs, especially the Charlotte Freedom School Partners program, which focuses on reading for English language learners.

Each grade will also participate in one significant, urban cultural event each academic year (must be art, music, theatre, or history) and workshops building personal, social, and professional responsibility. Junior and senior scholars will attend the national conference, Pursuing Extraordinary Outcomes in Public Education, sponsored and paid for by the Urban Education Collaborative. The conference meets annually in Charlotte, NC.

§ 115C-238.50 (b)(6): Parental Involvement: As partners in the Charlotte Teacher Early College, parents will be involved, engaged, and informed throughout the school year and at every grade level. Parent participation starts by attending Freshman Orientation prior to the beginning of school. As students progress within CTEC, each year will start with a parent/student orientation intended to inform parent of the year's objectives and activities within the coming year. These annual grade level parent/student orientations will include general policies and regulations, FERPA – regulations for sharing of student information between UNC Charlotte and the CTEC personnel, and other information related to the college admission process.

Parent involvement will continue throughout the year through numerous activities and actions such as parent nights, open house and quarterly student-led progress reports. Each semester, student-led conferences will provide a meaningful way for the students, parents, and CTEC teachers to communicate and engage in dialogue concerning the progress, goals, and future plans of the student. Student-led conferences provide parents the opportunity to understand the curricular program, see the student's high school and college artifacts as presented through a portfolio of competencies, and to gauge the student's progress at regular intervals throughout the five-year program. Individual goals set by the student will be reviewed and evaluated with parents once each semester.

Additional avenues of parental engagement will utilize a social media presence through Facebook, Twitter, Instagram and an on-line chat environment. Announcements will be posted in Peach Jar, notifying parents of upcoming events and activities within CTEC and UNC Charlotte's College of Education, such as guest speakers, seminars and student meetings inviting parents to attend and participate with their student scholar.

§ 115C-238.50 (b)(11): Early Identification: CTEC program is focused on recruiting first generation perspective college students, students who are seeking an accelerated high school academic experience, and students who display a disposition for dropping out of high school. Special recruiting efforts will be implemented to ensure these student groups are fully aware of the opportunity CTEC affords them for success in high school and beyond.

CTEC recruitment efforts will be a two pronged approach: A short term immediate program awareness campaign between October 2016 and the end of January 2017, and, a long term ongoing recruitment campaign to ensure targeted student groups continue to enter the CTEC program in the following years.

CTEC's ongoing recruitment strategy will focus on early identification of potential CTEC student through a variety of activities. Initially, middle school parent/student presentations will begin in grades 7 and 8. This will allow identified middle school students two years of contact prior to entering the lottery application process as rising 9th graders. Each year a special middle school open house will be held in order to familiarize potential CTEC students with the college environment. Annual parent letters will be sent to Title I middle school households with rising 9th graders reinforcing the CTEC program option/opportunity for targeted student populations and informing them of the CMS first lottery application process. Another annual strategy will be to conduct middle school AVID and Communities in Schools (CIS) student/parent presentations to ensure CMS partner organizations working with potential first generation college students are fully informed of the CTEC program and the lottery process.

The most effective early identification strategy will occur as CTEC students participate in early clinical field experiences as teacher cadets in elementary and middle schools. These students will act as CTEC ambassadors and role models for younger middle school students encouraging them to consider the CTEC program as their high school choice. CTEC Teacher Cadets will assist within the UNC Charlotte's extensive summer camps program for elementary and middle school students. This will provide an opportunity for CTEC student ambassadors to further interact with targeted middle school students.

In summation, as a result of the partnership and the shared resources associated with Charlotte-Mecklenburg Schools and UNC Charlotte, Charlotte Teacher Early College (CTEC) will create the conditions necessary to support student growth, both academically and personally. Exposing students to the high expectations of early college coursework while they concurrently pursue a high school diploma will enable students to demonstrate college and career readiness. Graduates of CTEC also will be prepared to directly impact future generations of youth and their families in the following ways: (1) by enabling pursuit of a college degree in a teacher education program in high needs fields such as mathematics, science, and foreign language and (2) by delivering successful role models for urban students, especially those from underrepresented groups and first generation college student, through the mentoring and field experiences built into the curriculum.

RESPONSE TO REGION'S ECONOMIC VISION

Explain how the CIHS relates to the Economic Vision Plan adopted for the economic development region where the school is located. Specifically address how the CIHS pathway will meet your local workforce needs and priorities.

The Charlotte Regional Partnership encompasses 16 counties bordering North and South Carolina surrounding the City of Charlotte. While each of the surrounding counties have experienced continued growth, Mecklenburg County leads the region with a double digit 5-year growth rate of 12.44% (Charlotte Chamber). According to Forbes, Charlotte is one of the nation's fastest growing cities with an annual job growth rate of 3.48%.

The 2012 Prosperity for Greater Charlotte Project partnered the region's economic development entities to complete a strategic assessment of the greater Charlotte economy and to identify strategies to boost economic and educational success. The project culminated in three strategic plans, one of which is the December 2012 report Jobs, Workforce & Education Alignment Strategy for the Greater Charlotte Region.

The strategic plan identifies goals in workforce and education, entrepreneurship and innovation, infrastructure, business climate and quality of life. The strategic plan further identifies six target industries – automotive, logistics, biomedical, financial, energy and aerospace – as well as three broad categories of target competencies – advanced manufacturing, engineering and information technology – as priorities.

The region's economic development success continues to highlight the area's favorable academic attainment rate, as measured by high school graduation, technical certifications, and an associate and bachelor degreed workforce, as a key indicator of a globally competitive region with an innovative business climate. However, the resulting population increase continues to include a disproportionate number of young college graduates and professionals earning above the median salary while the Per Capital Income (PCI) is \$27,600 (Charlotte Regional Partnership).

This expanding wage gap in Charlotte has resulted in a changed life's trajectory for youth living in poverty. In a widely reported recent Harvard – Berkeley study, Charlotte ranked 50th out of the 50 largest US cities and 97th of the 100 largest US cities for economic mobility (Chetty, Hendren, Kline, & Saez, 2014). Specifically, Charlotte's poor are among the least likely in America's cities to ever escape the cycle of poverty. Mecklenburg County faces similar problems in terms of economic mobility, it ranks 194th of 200 urban centers in the United States (Chetty, Hendren, Kline, Saez, & Turner, 2014).

While these high growth areas have been the focus of regional economic development, they conversely have strained local governments and school districts' ability to keep up with the required public services and education programs to support the increasing population. This is particularly likely in hard-to-staff schools and subject areas. At the same time, those students who are at the greatest risk for school failure often attend urban schools that have severe staffing issues in comparison to more suburban schools, including:

- fewer teachers with advanced degrees;
- higher teacher vacancies and more long-term substitutes;
- more lateral entry (not yet licensed) teachers; and,
- disproportionately fewer years of teacher experience.

Area school districts, especially a large urban one like CMS, may address shortages by hiring teachers that have proven less effective in the classroom over time, including novice teachers, alternative entry teachers, and long-term substitutes (Henry et al., 2014). Given that research has shown teachers demonstrate the highest school-specific impact on achievement, this practice could prove detrimental to the region's PK-12 students. Charlotte-Mecklenburg Schools (CMS) currently has 350 (August 1, 2016) instructional vacancies and is experiencing recruitment difficulties within several hard-to-staff schools and subject areas.

The instability and disruption in a child's education or in a program's continuity also has clear financial repercussions. Teacher attrition costs North Carolinians upwards of \$63 million a year (Alliance for Excellent Education, 2014; Ronfeldt, Loeb, & Wyckoff, 2013). Moving forward, advancing the quality and retention of the teacher workforce in Charlotte and the surrounding counties is a critical priority. The current city-county Economic Opportunity Task Force (www.opportunitycharmeck.org), a group of local volunteers addressing the region's economic immobility of urban poor, has focused its attention on creating pathways for at-risk youth to move into professional careers that not only offer individual economic benefits, but map opportunity for peers and the larger community. Furthermore, high-quality teachers boost college-going rates, attendance at higher-ranked post-secondary institutions, job earnings, and residence in higher-income neighborhoods (Chetty, Friedman, & Rockoff, 2011; Hanushek, 2011). Retaining teachers in Charlotte and surrounding counties also matters greatly, as research has shown that almost 50% of new teachers abandon the profession within their first five years of teaching (Ingersoll & Smith, 2003; Smith & Ingersoll, 2004).

According to a 2015 report (Bastian, 2015), enrollments in undergraduate teacher education programs in North Carolina declined by roughly 30% between 2010 and 2014, and the Charlotte region's education sector is forecast to have a 5-year growth rate of 12.3% (Centrolina Economic development Commission, 2012). These factors are increasing the challenges associated with teacher recruitment, and in conjunction with the state's growing student population and recent high levels of teacher attrition, creates a scenario where the region and greater Charlotte area may soon face a shortage of teachers.

Given the above needs: To change the upward mobility trajectory of Charlotte-Mecklenburg's economically disadvantaged youth through education; to increase the academic attainment within the region; and, to develop a local educator diverse employment pipeline, Charlotte-Mecklenburg Schools, in partnership with the UNC Charlotte College of Education is proposing the opening of the Charlotte Teacher Early College.

Currently in the planning stages to open in fall 2017, with 110 students in grades 9 and 10, and expanding to its maximum capacity of 500 students in grades 9-13 in 2022-2023, the program is designed to recruit males and minority students into the teaching profession. The Charlotte Teacher Early College graduates will receive their high school diploma, a Certificate of Advanced Standing in Education with a concentration in Urban Education, and over 60 plus college credits allowing them to either enter the classroom as a teacher assistant or continue to pursue their Bachelors' Degree in Education.

Adopting a long-term perspective, CTEC provides many potential advantages to attending students and their families based on a wealth of research about higher education outcomes:

- College graduates make more money over their lifetimes;
- Reading and language development of children improve dramatically with well-educated parents;
- Higher educated parents are more likely to provide enrichment opportunities and experiences for their children;
- Children of college graduates are more likely to graduate high school; and,
- Children of college graduates are more likely to graduate college.

Given the opportunity these students may have upon their graduation to obtain employment within CMS, they will achieve significant upward economic mobility. Thus, the benefits of the Charlotte Teacher Early College will impact the region's economic viability through multiple generations.

CURRICULUM

Provide a description of the overall instructional program and how it will introduce innovation into the classroom. Address how the CIHS will ensure graduates are prepared for college and career.

The mission of the professional education programs at the University of North Carolina at Charlotte is to prepare highly effective graduates who have positive impact on children, youth, families, communities, and schools and who are successful in urban and other diverse settings. To achieve these outcomes, UNC Charlotte professional education programs are designed to prepare candidates who are capable of transforming the lives of all learners. UNC Charlotte teacher education candidates develop the knowledge necessary to provide effective instruction and other educational services, to respond to diverse individual needs, to lead and collaborate with others, and to engage in continuous professional growth. They acquire a broad knowledge base as well as more specialized content and pedagogical knowledge in their chosen area. The candidates come to know and understand learners and their contexts, as well as the policies, laws, standards, and issues that affect children, families, schools, and community. In addition, they demonstrate the level of self-awareness necessary to support the effectiveness and commitment required of professional educators who seek to transform lives.

The Charlotte Teacher Early College instructional program is designed to prepare students for immediate admission to a teacher education program at UNC Charlotte. Upon completion of the full five-year curriculum, students will complete NC high school graduation requirements and be eligible for an NC Academic Scholars designation. Students will also satisfy general education (34 credit hours) and teacher education admission requirements (3-7 credit hours) at UNC Charlotte and complete a personalized 18 credit-hour concentration that is tailored to the area of teacher licensure they wish to pursue. Concentrations will be comprised of coursework towards an academic minor or content area.

Students will begin with only high school courses in 9th grade and enroll in college courses in increasing numbers in grades 10th (two UNC Charlotte Courses), 11th (four UNC Charlotte Courses), 12th (seven UNC Charlotte Courses) and 13th (eight UNC Charlotte Courses). The first college course taken in the fall semester of 10th grade will be a seminar designed to prepare students to be successful in collegiate coursework. Students will work with their assigned counselor in the early college each year to plan their schedule. Prior to the 13th grade, students will work with academic advisors in UNC Charlotte's Office of Teacher Education Advising and Licensure (TEAL) to select and plan their concentrations. TEAL advisors will be available to early college students in all grades to provide guidance on admission to and selection of teacher education programs.

The themes of education and community service will shape instruction throughout the curriculum. Site-based, experiential learning will be a critical component in at least five courses (Teacher Cadet I and II, EDUC 1100, SPED 2100, and LBST 2215) depending on the student's concentration. Students will explore teaching at pre-kindergarten, elementary, middle, and secondary levels through clinical assignments with the intention of developing a broad perspective of P-12 education. The Office of Field Experiences at UNC Charlotte will assist in arranging clinical placements. Students will also be encouraged to participate in teaching-themed extracurricular activities such as the jointly delivered College of Education/YMCA Summer Reading Camp, Freedom Schools, and UNC Charlotte's Camps on Campus.

Develop a proposed curriculum map for the CIHS. Include courses that will support completion of a high school diploma and the IHE program of study aligned to the CIHS program configuration. *Submit a completed CIHS Curriculum Map with this application.* Templates are available in a separate document.

See attached document.

STUDENT GOALS/EXPECTATIONS

Describe expected student academic and career/technical achievement goals and the measures used to demonstrate how students have attained the skills and knowledge specified for the goals.

GOAL	INDICATOR	TARGET
Students maintain consistent attendance.	Attendance rate	≥ 95%
Students are on track at the end of each grade level as indicated by passing all core courses and attaining the appropriate number of credits each year toward a high school diploma and two years transferable college credit.	% of 9th graders on track; % of 10 graders on track; % of 11th graders on track; % of 12 graders on track	≥ 95%; ≥ 95%; ≥ 95%; 100
Students are college-ready prior to the senior year of high school	ACT Composite ≥ 17	≥ 95%
Students will graduate with 60+ credit hours.	Transcript Analysis	≥ 95%
Students will matriculate into and complete an educator preparation program.	Enrollment and program completion data	≥ 75%
Students population will be composed of groups under-represented minority candidate and men within the field of education.	Demographic Information	≥ 30% students from groups traditionally under-represented
Students will participate in a mentorship program.	Participation rates	≥ 95%
Students will participate in service learning/community engagement projects.	Syllabus review; attendance data	≥ 75%
Students will attain certification in high needs areas (e.g., math, science, special education).	Transcript Analysis	≥ 25%
Students who complete the program and attain an initial license will remain in the profession at least four years.	Graduate Survey	≥ 50%

PARENT/FAMILY INVOLVEMENT

Describe how the CIHS, including administrators and teachers, will partner with parents/families to support student success. Include how the CIHS will measure parent/family involvement.

A synthesis of research on parent involvement over the last decade found that regardless of family income or background, students with involved parents are more likely:

- To earn higher grades and test scores, and enroll in higher-level courses
- To be promoted, pass their classes, and earn credits
- To attend school regularly
- To have better social skills, show improved behavior, and adapt well to school
- To graduate and go on to postsecondary education (Southwest Educational Development Laboratory, 2002.)

Implementing a strong parental involvement program that informs, guides and supports parental understanding during their child's high school years from 8th grade transition through high school graduation and beyond is an essential strategy to increase overall student success at Charlotte Teacher Early College (CTEC).

Once students have been selected for CTEC based on a lottery, parents and students will attend a freshmen orientation meeting prior to the beginning of school. These meeting provide the opportunity for establishment of the school's Parent, Teacher, Student Organization (PTSO).

As partners in the school, parents will be involved, engaged, and informed throughout the school year and at every grade level. Grade level orientation meetings will include general policies and regulations, FERPA – regulations for sharing of student information between UNC Charlotte and the CTEC personnel, and other information related to the college admission process.

The school counselor and administrator will support parent involvement through numerous activities and actions such as parent nights, open house and progress reports. Additional avenues of parental engagement will utilize a social media presence through Facebook, Twitter, Instagram and an on-line chat environment. Announcements will be posted in Peach Jar, notifying parents of upcoming events and activities within CTEC and UNC Charlotte's College of Education, such as, guest speakers, seminars and student meetings inviting parents to attend and participate with their student scholar.

Starfish is an academic early alert and advising connect software system which allows instructors to send systematic notifications to students regarding their academic progress in their courses. Academic advisors are able to access this information to better connect with students, and use the system for maintaining advising notes. Students use the online system to conveniently make appointments with their academic advisor, instructor, and student support services such as tutoring and career advising. It provides features for instructors in providing earlier feedback on student performance in their courses and for advisors to have access to view these alerts for intervention strategies

In addition to the semester student-led conference, the Starfish messages will provide opportunities for additional conferences as well as a meaningful way for the students, parents, and CTEC teachers to communicate and engage in dialogue concerning the progress, goals, and future plans of the student. Student-led conferences provide parents the opportunity to understand the curricular program, see the student's high school and college artifacts as presented through a portfolio of competencies, and to gauge the student's progress at regular intervals throughout the five-year program. Individual goals set by the student will be reviewed and evaluated with parents once each semester.

Parent engagement will be measured through the annual CMS Parent Questionnaire seeking parent support for, satisfaction with and engagement in their child's school.

SCHOOL EFFECTIVENESS MEASURES

Describe how the CIHS, LEA and partner IHE will measure the school's effectiveness with respect to meeting the purposes specified in NCGS 115C-238.50.

CTEC effectiveness will be measured by both traditional and non-traditional measures. Where possible benchmark goals will be established aligned with previously published NC Early College High School reported data points.

Traditional data points will include the following: Academic Post assessments including ACT, SAT, Cohort Graduation Rate, Workkeys, Certifications received, Diploma Endorsements, college credits earned, Average GPAs for high school and college coursework, and post-secondary college-going rates.

Non-Traditional data points will include the following: cohort retention, employer surveys, the Gallop Poll Semi-Annual Student Dropout Perception Survey, and the Parent Faculty Survey. UNC Charlotte will analyze CTEC student outcomes as compared to other student cohorts at the university. Outcomes to be measured include the rate of passing grades by course, the achievement of identified learning outcomes tied to specific courses (as appropriate), and the performance of participating students versus other students. employer feedback also will be sought and analyzed in order to inform the work-based learning activities of student effectiveness in meeting employer expectations.

In addition, the North Carolina General Curriculum test, now required for teacher candidates in elementary and special education to qualify for a North Carolina teaching license, will be a focus within the preparation of CTEC students. The test includes two subtests, in mathematics and multi-subject (science, social studies, and language arts). In completing these tests prior to matriculation into a teacher education program, CTEC students will demonstrate the content knowledge deemed necessary by the state to teach the relevant subject areas and complete their first step toward NC Teacher licensure.

PART D – OPERATIONS

PROPOSED BUDGET

Describe the budget development process for the CIHS.

The Charlotte Teacher Early College option will be included in a School Board presentation in November 2016. Upon approval, the new magnet and school options for 2017-2018 will be included within CMS' 2017-2018 Budget request submitted to the Mecklenburg County Commissioners. At the same time, CMS will develop its proposed 2017-2018 budget based on anticipated state and federal allotments. Within the three funding sources, federal, state and local dollars will be earmarked for the new magnet and school options, including CTEC, opening in 2017-2018. CMS will follow its regular budgetary approval calendar in making its annual budget request of the Charlotte Mecklenburg County Commissioners.

- | | |
|--------------------|--|
| • November - March | Internal budget development aligned to district priorities |
| • April | CMS School Board approves annual budget request |
| • May 1 | District annual budget request submitted to County Commissioners |
| • June | County budget approved by County Commissioners |
| • July 1 | New fiscal year allotments authorized: Federal, State, Local |
| • August | Revised budget is prepared for approval by CMS School Board |
| • September | Revised Annual Budget is approved by CMS School Board |

See Attached 5-year budget proposal

Complete the Proposed Budget Template for the next five years. Template is available in a separate document. *Submit a completed Proposed Budget with this application.*

- Include funding sources in the budget.
- If the CIHS is not requesting additional funding, the CIHS proposed budget is still required. Complete applicable sections.
- If the CIHS is requesting additional funding, the CIHS proposed budget is required. This budget is a five-year proposed budget and includes, Average Daily Membership (ADM) and Full-Time Equivalents (FTE), as well as personnel and equipment needs.

If your IHE partner is a University partner, describe how the tuition charges will be determined.

The existing Memorandum of Understanding (MOU) between Charlotte-Mecklenburg Schools and UNC Charlotte states, "CMS, through funding from the Department of Public Instruction, must pay to the University the tuition for ECHS [Early College High School] students. ..." The University will submit the tuition reimbursement from the Department of Public Instruction providing specific enrollment information to ensure compliance with financial accounting and audit requirements.

PERSONNEL QUALIFICATIONS

Describe the specific positions and qualifications of employees in the program.

Charlotte Teacher Early College (CTEC) personnel will include a principal, guidance counselor, registrar/financial secretary, a Career Development Coordinator, and instructional staff, including classroom teachers. All CMS professional personnel will hold the appropriate NC Educator License as required by CMS Human Resources Policies and Regulations. The job posting for CTEC teachers will reference the National Board of Professional Teaching Standards certification.

The principal will have experience leading a collaborative and inclusive school design process, with a track record of leveraging deep expertise in instruction and school leadership to develop an instructional staff. Further, the principal will have demonstrated success engaging a wide cross-section of stakeholders, both internal and external, as well as community partners to support and sustain a high quality school focused on maximizing student outcomes.

All school personnel will demonstrate the attributes CMS and UNC Charlotte have identified as essential for the innovative and 21st century-focused school design that forms the foundation of CTEC. As such, all school personnel must demonstrate and/or be committed to:

- Ensuring all students enrolled in the school achieve academic success and develop 21st century competencies for college and career.
- Ensuring that students' diverse assets and needs are recognized and accommodated.
- Experience in innovative and/or alternative educational environments, especially those that operate personalized and blended learning; competency-based progression; multiple pathways; proficiency-based assessment and grading; and/or differentiated, team-based teaching models.
- Skills and mindsets for innovation and entrepreneurship: risk-taking; creative confidence; challenging the status quo; and growth mindset.
- Operating a competency-based model that enables all students to master rigorous and relevant competencies. Personalizes learning to students' strengths and goals. Uses multiple modalities, real-time feedback, performance-based assessments, and technology-empowered learning. Allows multiple opportunities to master standards through performance-based assessments, and allows self-paced progression based on demonstrations of competency.
- Using positive youth development supports to foster caring relationships, set clear standards for performance, elevate student voice, and integrate community assets and culture.

UNC Charlotte personnel will include a College Liaison supporting CTEC and the Charlotte Engineering Early College sites. In addition, CTEC students will have access to TEAL advisors (described above) during their enrollment in pre-professional education courses.

CIHS LOCATION

CIHS Planned Location and Physical Address: **UNC Charlotte, College of Education, 9201 University City Blvd., Charlotte, NC 28223**

APPENDIX L

Is the CIHS located on the campus of the IHE partner? ☐ No ☒ Yes

If no, explain why the CIHS is not on the campus of the IHE partner? **N/A**

Check here if you would like to request an official location waiver for the on-site requirement. ☒ No ☐ Yes

Provide clear justification for this request. How will college courses be delivered to students?

N/A

If this CIHS is already operational, describe facilities and indicate if there is an approved location waiver from the IHE Governing Boards.

N/A

STUDENT TRANSPORTATION

Describe how students are to be transported to the CIHS. Describe how the CIHS will ensure that no child is denied access due to transportation issues.

The CTEC will be a school option open to students districtwide. The CMS transportation department will provide each student school bus transportation to and from the CTEC site via shuttle stops or neighborhood stops depending upon parent decisions. CTEC of students in grades 11-13 will have the option to ride the CATS' LYNX Blue Line light rail between uptown Charlotte to the UNC Charlotte Campus. This will allow for maximum scheduling options for upper level students taking UNC Charlotte courses. Students choosing this transportation option will be provided CATS/LYNX monthly transportation passes.

On UNC Charlotte campus CTEC students will have access to the campus shuttle throughout the main campus of UNC Charlotte. Hours of operation for the campus shuttle are Monday – Thursday, 7:00 a.m. – 10:00 p.m.; and Friday, 7:00 a.m. – 6:00 p.m.

OPERATING PROCEDURES

Explain the CIHS operating procedures, including calendar and hours of operation.

Calendar: CTEC will follow the same calendar as the Charlotte Engineering Early College (CEEC) calendar, a modified UNC Charlotte's academic year calendar (see attached) for start date, holidays and semester breaks. CTEC Classes will start on August 7, 2017, with UNC Charlotte classes beginning on August 21, 2017, and the CTEC academic year will be extended beyond UNC Charlotte's graduation date until June 1, 2018.

Operating Procedures: CTEC will operate under the policies and procedures set forth in the CMS CODE OF STUDENT CONDUCT - Student Rights, Responsibilities and Character Development Handbook and UNC Charlotte's Code of Student Responsibility, and Code of Student Academic Integrity. Additional policies specific to the operation of the CTEC and student behaviors will follow the CMS UNC Charlotte's MOU.

Hours of Operation: CTEC will operate on a modified block schedule that allows for flexible class scheduling between the hours of 9:15 a.m. and 4:15 p.m., including a common lunch/study period. Eligible students may schedule university courses during the school day their schedule permits. Some students may elect to schedule additional university courses before or after the school's regular scheduled day by providing their own transportation. Note, student parking permit will be the responsibility of the student.

SUBMISSION

- The application must be submitted jointly by a Local Board of Education and the Board of Trustees of the partner Institution of Higher Education.
- A complete application packet includes (1) CIHS Signature Page, (2) CIHS Application, (3) CIHS Curriculum Map, and (4) CIHS Proposed Budget.
- Submit all documents attached to one email.
- Only complete application packets will be reviewed and submitted to the State Board of Education and corresponding Board for action.
- An electronic version of the complete application packet, must be submitted to CIHS@dpi.nc.gov by September 15, 2016.

Cooperative Innovative High School Curriculum Template
Charlotte Teacher Early College^{1,3}

APPENDIX I

High School	Fall 1	Spring 1	Fall 2	Spring 2	Fall 3	Spring 3	Fall 4	Spring 4	Fall 5	Spring 5
<i>English</i> (4 credits)	Honors English I	Honors English II			AP English - Composition				College Substitution English IV	
<i>Mathematics</i> (4 credits)	Honors NC Mathematics I	Honors NC Mathematics II	Honors NC Mathematics III			College Substitution 4 th Math				
<i>Science</i> (3 credits)	Honors Earth/Environmental	Honors Biology	Honors Chemistry				College Substitution 4 th Science			
<i>Social Studies</i> (4 credits)	Honors World History		Honors Founding Principles, Civics, Economics		AP American History		College Substitution 4 th Social Studies			
<i>Health and Physical Education</i> (1 credit)		College Substitution Grade 12								
<i>Other</i> (6 credits)	Microsoft Academy	Teacher Cadet I	Foreign Language I	Teacher Cadet II	Foreign Language II	Teacher Cadet III	Foreign Language III	Teacher Cadet IV	College Substitution Art Credit	Teacher Cadet V
College	Fall 1	Spring 1	Fall 2	Spring 2	Fall 3	Spring 3	Fall 4	Spring 4	Fall 5	Spring 5
<i>English Composition</i>								UWRT 1101 (3 hrs.)	UERT 1102 (3 hrs.)	
<i>Humanities/Fine Arts</i>									ART CREDIT ² 3 hrs.	
<i>Social/Behavioral Sciences</i>						BIOL 1110/L (4 hrs.)	Social Science (3 hrs.)			
<i>Mathematics</i>					MATH 1100 (3 hrs.)		STAT 1220 (3 hrs.)			

GRAND TOTAL:

UNC Charlotte Course Titles:

- EDUC 1100 – Foundations of Education and Diversity in Schools
 LBST 2215 – Citizenship
 SPED 2100 – Introduction to Students with Special Needs
 UWRT 1101 – Writing and Inquiry in Academic Contexts I
 UWRT 1102 – Writing and Inquiry in Academic Contexts II
 BIOL 1110 – Principles of Biology I
 MATH 1100 – College Algebra and Probability
 STAT 1220 – Elements of Statistics I
 PSYC 1101 – General Psychology
 UCOL 1000 – College Transition for First-Year Students
 LBST 2301 – Critical Thinking and Communication
 LBST 1101 – The Arts and Society: Dance
 LBST 2101 – Western Culture and Historical Awareness
 LBST 2102 – Global and Intercultural Connections

Cooperative Innovative High School Proposed Budget Application Cycle 2016-17

LEA #:

600

LEA Name:

Charlotte-Mecklenburg Schools

School Name:

Charlotte Teacher Early College

Partnering IHE

UNC Charlotte, College of Education

****Please change, delete from, or add to the itemized list under each category as appropriate****

Category/Activity	Year 1	Year 2	Year 3	Year 4	Year 5
Grades Served (e.g. 9, 10)	9, 10	9, 10, 11	9, 10, 11, 12	9, 10, 11, 12, 13	9, 10, 11, 12, 13
Total Average Daily Membership	110	210	310	410	455

Revenue	Total	Total	Total	Total	Total
Local appropriations	\$1,176,020	\$1,194,184	\$1,430,963	\$1,642,928	\$1,816,161
State-CIHS supplemental funds	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000
State- General funding	\$548,500	\$604,800	\$721,000	\$809,000	\$872,000
Federal-List Grants					
Other					
Total revenue	\$2,034,520	\$2,108,984	\$2,461,963	\$2,761,928	\$2,998,161

Salaries	FTE	Total Salary	FTE	Total Salary	FTE	Total Salary	FTE	Total Salary	Sources of funds
Principal: 12 months	1	\$87,000	1	\$87,000	1	\$90,000	1	\$90,000	NC - GF
Core Teachers: 10 months	4	\$224,800	5	\$281,000	6	\$348,000	7	\$406,000	NC - GF
Counselor: 10 months	1	\$58,600	1	\$58,600	1	\$62,000	1	\$62,000	NC - GF
College Liaison: UNC Charlotte	0.5		0.5		0.5		0.5		UNC-C
Exceptional Children Teacher: 10 m	0.5	\$23,000	0.5	\$23,000	0.5	\$26,000	1	\$56,000	NC - GF
Clerical: 12 month	1	\$61,200	1	\$61,200	1	\$63,000	1	\$63,000	NC - GF
Transportation Staff: N/A	0	\$0	0	\$0	0	\$0	0	\$0	
Other: Testing Coordinator: 10 m	0.5	\$23,000	0.5	\$23,000	1	\$56,000	1	\$56,000	NC - GF
Career Develop Coord.: 10 Months	1	\$56,000	1	\$56,000	1	\$56,000	1	\$56,000	NC - GF

Total Salary		9.5	\$533,600	10	\$589,800	11.5	\$701,000	13	\$789,000	14	\$847,000	
Benefits Total for Personnel		FTE	Total Benefits	FTE	Total Benefits	FTE	Total Benefits	FTE	Total Benefits	FTE	Total Benefits	Sources of funds
Health		9.5	\$52,868	10	\$55,650	11.5	\$63,998	13	\$72,345	14	\$77,910	LOCAL
Retirement		9.5	\$87,137	10	\$98,314	11.5	\$114,473	13	\$128,844	14	\$138,315	LOCAL
Social Security		9.5	\$40,820	10	\$45,120	11.5	\$53,627	13	\$60,359	14	\$64,796	LOCAL
Other: Life Insurance		9.5	\$95	10	\$100	11.5	\$115	13	\$130	14	\$140	LOCAL
Total Benefits		9.5	\$180,920	10	\$199,184	11.5	\$232,213	13	\$261,678	14	\$281,161	LOCAL
Total Salary and Benefits		9.5	\$714,520	10	\$788,984	11.5	\$933,213	13	\$1,050,678	14	\$1,128,161	

Contracted Personnel and Services						Total	Total	Total	Total	Sources of funds
List if applicable Contract: Instructional Coach		\$30,000		\$30,000		\$0		\$0	\$0	NC - CIHS
Total Contracted Personnel and Services		\$30,000		\$30,000		\$0		\$0	\$0	
Other										
Instructional Supplies & Mat. Equipment Technology		\$15,000 \$10,000 \$35,000		\$15,000 \$5,000 \$0		\$20,000 \$0 \$0		\$20,000 \$0 \$0	\$25,000 \$0 \$0	NC - GF NC - CIHS NC - CIHS
Professional Development Transportation: CIHS		\$50,000 \$0		\$0 \$0		\$0 \$0		\$0 \$0	\$0 \$0	NC - CIHS NC - CIHS
Transportation: CMS		\$935,000		\$935,000		\$1,000,000		\$1,000,000	\$1,000,000	LOCAL
Text Books: UNC Charlotte		\$100,000		\$127,500		\$96,250		\$33,750	\$0	NC - CIHS
Text Books: CMS		\$0		\$0		\$143,750		\$326,250	\$480,000	LOCAL
Office supplies		\$10,000		\$10,000		\$5,000		\$5,000	\$5,000	LOCAL
Copier		\$30,000		\$30,000		\$30,000		\$30,000	\$30,000	LOCAL
Communications		\$20,000		\$20,000		\$20,000		\$20,000	\$20,000	LOCAL
Rent if charged by IHE		\$0		\$0		\$0		\$0	\$0	N/A
Student Fees: UNC Charlotte		\$68,750		\$131,250		\$193,750		\$256,250	\$284,375	NC - CIHS
Parking : UNC Charlotte		\$16,250		\$16,250		\$20,000		\$20,000	\$25,625	NC - CIHS
Total Other		\$1,290,000		\$1,290,000		\$1,528,750		\$1,711,250	\$1,870,000	
IHE Costs. Complete for the appropriate IHE partner										
Community College FTE Cost										
# of students										
Courses per student										
est. rate per course										
NCCCS total										
Total Expenditures										
		\$2,034,520		\$2,108,984		\$2,461,963		\$2,761,928	\$2,998,161	
Total Revenue over Expenditure		\$0		\$0		\$0		\$0	\$0	

[illegible]

Charlotte Engineering Early College 2017-2018 Calendar

July 2017							August 2017							September 2017							October 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1																					
2	3	4	5	6	7	8	6	7	1	2	3	4	5	3	4	5	6	7	8	9	1	2	3	4	5	6	7
9	10	11	12	13	14	15	13	14	8	9	10	11	12	10	11	12	13	14	15	16	15	16	17	18	19	20	21
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				
30	31																										

November 2017							December 2017							January 2018							February 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1	2													
5	6	7	8	9	10	11	3	4	5	6	7	8	9		7	8	9	10	11	12	13	14	15	16	17	18	19
12	13	14	15	16	17	18	10	11	12	13	14	15	16		14	15	16	17	18	19	20	21	22	23	24	25	26
19	20	21	22	23	24	25	17	18	19	20	21	22	23		21	22	23	24	25	26	27	28	29	30	31		
26	27	28	29	30			24	25	26	27	28	29	30		28	29	30	31				25	26	27	28		
							31																				

March 2018							April 2018							May 2018							June 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2									1	2
4	5	6	7	8	9	10	8	9	10	11	12	13	14		6	7						3	4	5	6	7	8
11	12	13	14	15	16	17	15	16	17	18	19	20	21		13	14	15	16	17	18	19	10	11	12	13	14	15
18	19	20	21	22	23	24	22	23	24	25	26	27	28		20	21	22	23	24	25	26	17	18	19	20	21	22
25	26	27	28	29	30	31	29	30							27	28	29	30	31			24	25	26	27	28	29

School Days	First Day of School	Aug. 7	Workdays	12
1st Quarter 44	Last Day of School	May 18	Annual Leave Days	10
2nd Quarter 45			Holidays	11
3rd Quarter 45	UNCC Fall Exams	Dec. 8-15		
4th Quarter 46	UNCC Spring Exams	May 3-10	Last day of Quarter	
TOTAL			UNC-Charlotte (See Back)	

Required Workdays: See attached

Makeup Days: To Be Determined

July 4 is a holiday for 12-month employees only

Charlotte-Mecklenburg Schools – UNC Charlotte
2016-2017 Cooperative Innovative High Schools Application
Charlotte Teacher Early College

Executive Summary

I. Location: **UNC Charlotte, College of Education, 9201 University City Blvd., Charlotte, NC 28223**

II. Opening: 2017 – 2018

III. Grade/Student Enrollment: Grades 9 – 13

- First Student Cohort: Grade 9 - 55 Students
Grade 10 - Students
- Total 2017 – 2018 Enrollment: 110 Students
- Enrollment Process: School Options Lottery Process

Note:

1. Cooperative Innovative High School Regulations limit each grade level to a maximum enrollment of 100 students.
2. Each subsequent entering 9th grade class 2018-2019 and beyond will be 100 students.

IV. Curriculum:

- a. High School Diploma Completion
- b. UNC Charlotte College of Education – Main Campus Options
 - i. Certification of Advanced Standing in Education
 - ii. 18 college semester hours in content concentration
 - iii. 60 plus college semester hours – transferable to UNC System College of Education

V. Tuition and Books & Fees:

- a. Tuition: College tuition reimbursed to University through DPI
- b. College Books and Fees:
 - i. College Books and Fees: CMS Responsibility

VI. Administration/Facilities

- a. Hours: 9:15 a.m. – 4:15 p.m. – Comparable to other CMS Early College
- b. Calendar: Follow UNC Charlotte academic calendar – Similar to other CMS Middle Colleges
- c. Transportation: CMS Transportation
 - i. CMS Shuttle or Neighborhood stops
 - ii. CMS provided CATS/LYNX pass option
 - iii. Parking Fee: Student Responsibility but CMS provided CATS/LYNX pass option available
- d. Lunch: CMS Child Nutrition Service
- e. Administrative/Classrooms: Dedicated Early College Administrative Suite and Classrooms within UNC Charlotte College of Education building

VII. Budget: Federal, State and Local Funding – See Attached Proposed Budget Template

Notes:

1. Federal Appropriations: Categorical Federal appropriations support similar school personnel and programs expenses provide for any CMS school.
2. Cooperative Innovative High School (CIHS) Appropriations: Upon General Assembly approval, new approved Cooperative Innovative High Schools (Charlotte Teacher Early College) may receive special funding to assist with start-up expenses. Annual on-going CIHS appropriation depends upon annual General Assembly approval.
3. NC General Appropriations: NC General Appropriations support similar school personnel, supplies and expenses provided for any CMS school.
4. Local Appropriation: CMS local appropriations support middle college students' textbooks and community college fees.

AGENDA ITEM

A-3. UNC General Administration Internal Audit Update..... Joyce Boni

Situation: The chief audit officer is to provide periodic updates on UNC General Administration's internal audit activities.

Background: In accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* issued by The Institute of Internal Auditors and the Internal Audit Charter, the committee is to receive periodic updates on the UNC General Administration's internal audit activities. In addition, the committee is to review internal audit reports and letters issued by the chief audit officer.

Assessment: The attached documents are provided to assist with this update:

- Attachment 1 identifies the current status of the 2017 internal audit projects that were initially approved by the committee in July 2016, as well as projects that have been added to the internal audit plan.
- Attachment 2 is the reported results from internal audit's investigation of an employee's inappropriate use of a corporate credit card. This project was added to the audit plan when the concern was raised by management at UNC-TV. The examination revealed that a corporate credit card had been inappropriately used and that the improvements should be made to the organization's internal policies and procedures. The auditor's observations and recommendations, along with management's response, are included the report.

Action: This item is for information only.

Status of UNC-GA Internal Audit Plan

Fiscal Year 2016-2017

	Status
Prior Year Carryover	
Investigation: UNC-GA Travel and Purchase Card; UNC-TV State Vehicle Misuse	Completed
Other: Risk Assessment / 2017 Audit Plan	Completed
Operational/Internal Control Audit: Payroll Hosted Services Review	Completed
Audits/Reviews	
Compliance Audit: Contract & Grant Monitoring	In Process
Information Technology Audit: End User Data Storage & Security Awareness	Not Started
Special Audit/Review: Unplanned/Hold for UNC-TV Request	Not Started
Investigations:	
Unplanned investigations of internal or external hotline reports and other similar types of investigations.	Not Started
UNC-TV Bid and Rental Allegations (added Oct 2016)	Completed Nov 2016
Corporate Credit Card Misuse (added Dec 2016)	Completed Feb 2017
Follow-up Reviews	
2016 OSA IT General Controls Audit Follow-up	Not Started
2016 ECSU Financial Aid & Admissions Follow-up	In Process
2016 UNC-GA Travel & Purchase Card Follow-up	Not Started
Consultations/Advisory Services; Other Special Assignments	
Internship Program for HBCU Policy Consult	Completed
UNC Gift Giving LLC Policy & Procedures Consult	Completed
Email Phishing Scheme Consult	Completed
UNC Optional Retirement Plan's External Audit RFP Consult	In Process
Institutional Advancement's New System Set-up Consult	In Process
IT Governance Policy Development Consult	In Process
UNC-TV Cost Methodology Consult	Not Started
Other: Internal Audit/Audit Committee Charter Updates	In Process
Other: Risk Assessment/Audit Plan for FY2018	Not Started
Other: Board Meetings/Unit Oversight	In Process
Various Consults, Committees, Other: Routine Consults with UNC-TV and UNC-GA; Annual Self-Assessment of Controls; UNC internal audit committees; Unplanned	In Process

The **red font** denotes changes since the last status update.

Note: The above does not include the other internal audit services to NC School of Science and Mathematics and the NC State Education Assistance Authority.



PO Box 2688
Chapel Hill, NC 27515-2688

Constituent Universities

Appalachian
State University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts


Western Carolina
University

Winston-Salem
State University

Joyce D. Boni, CPA
Chief Audit Officer,
UNC General Administration
Office: (919) 843-3623
Email: jdboni@northcarolina.edu

To: Brian Sickora, UNC-TV Director and General Manager
Jonathan Pruitt, Senior Vice President for Finance and Budget

CC: Walter Davenport, Board of Governors Committee on Audit, Risk Management and Compliance
Junius Gonzales, Senior Vice President of Academic Affairs
Brooks Skinner, Associate General Manager and General Counsel
Thomas Shanahan, Senior Vice President and General Counsel
Meredith Didier, Chief of Staff
Lynne Sanders, Vice President of Compliance and Audit Services
Council of Internal Auditing

From: Joyce Boni, Chief Audit Officer 

Date: February 8, 2017

Re: Investigation of Possible Inappropriate Corporate Credit Card Use (I17007)

Internal audit has completed an investigation related to a past due corporate card account and concerns that a UNC Television (UNC-TV) employee may have used the card for personal activity. The results of this investigation are provided below.

Background

Human Resources staff contacted internal audit about an employee's corporate credit card account that had been cancelled because it was significantly past due. Based on the size of the delinquent balance, UNC-TV management was concerned that the card had been used for purposes other than business travel.

As allowed by the State Budget Manual, UNC General Administration (UNC-GA) offers a corporate credit card program for employees to obtain an American Express corporate card for official business travel. Cards are issued at the discretion of management to an individual based on their employment with the University. The terms of the American Express corporate card membership state the card is solely for business expenses in accordance with the organization's policy. Per the State Budget Manual and card guidelines established by UNC-GA, the card should be used only for travel costs while on official state business.

Under the American Express corporate card program, cards are issued in the individual employee's name but identify UNC-GA as the employer. Outstanding balances are due in full each month and the employee is liable for all charges, including any fees. The University has no financial liability, but as a University sponsored card, management has the right to revoke the card and the card must be relinquished when the employee's employment ends.

Objective and Scope

The objective of this engagement was to review the corporate card activity for a UNC-TV employee and 1) assess if the employee's card activity violated any State or UNC-GA policy, and 2) if applicable, evaluate why the violation occurred and recommend possible improvements to the current process to prevent similar issues in the future.

Constituent High School

North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action Employer

The scope was limited to the one employee's card activity from January 2016 – November 2016 and the related policies that were in place during that time. The audit procedures included, but were not limited to:

- Reviewing the State and UNC-GA policies and related guidance, as well as the American Express corporate card terms and conditions,
- Identifying the UNC-GA procedures for requesting and obtaining a corporate card,
- Interviewing relevant staff about correspondence and events related to the scope, and
- Reviewing relevant documentation such as email correspondence and the employee's corporate credit card statements and recorded travel reimbursements.

The *International Standards for the Professional Practice of Internal Auditing*, as promulgated by the Institute of Internal Auditors, were used as the authoritative guidance for this engagement. Fieldwork was completed on January 18, 2017, and included relevant events that took place from November 2015 to the last day of fieldwork.

Summary of Results

Based on the investigation, the corporate card activity for the period examined was not for official business travel. In addition, the outstanding balance was not paid in full from May to August and the card was cancelled in September. Using the card for personal costs violates State policy and not paying the balance in full each month violates the UNC-GA corporate card instructions.

The employee admitted to using the card for personal expenses, stating he was not aware the card was limited to business use but thought it could be used at his discretion since it was issued in his name and he was liable for all charges. However, internal audit reviewed a November 30, 2015 email to the employee that included an attachment of UNC-GA's guidance for using the corporate card. The UNC-GA guidance states the card is for business related expenses and lists travel costs as an example business expense. In addition, the American Express terms that are referenced by link in the online application process states the card is solely for business expenses in accordance with company policy.

In response to the results of this investigative review, UNC-TV management decided to place a reprimand in the employee's personal file. This decision was made after consultation with legal and human resources and a review of state, university, and UNC-GA policies governing disciplinary actions. The employee's corporate card is already cancelled, and management stated the employee will not be allowed to obtain a similar card in the future. UNC-TV financial staff also indicated they will assess the changes that UNC-GA finance implements then consider if additional procedures are needed at UNC-TV.

Internal audit identified other areas for improvement that might reduce the risk of similar issues in the future. At a minimum, management should consider making the UNC-GA internal corporate credit card guidance part of the formal UNC-GA financial policies manual. As such, it will be clearly identified as an entity policy and made readily available to all employees. In addition, the internal policy should be updated to clarify the roles and responsibility of employees, supervisors, and the corporate card program administrator. The specific observations and recommendations, along with management's corrective action plans, are provided in the *Observations and Recommendations* section below.

The cooperation and professionalism of the staff that assisted with this review is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Observations and Recommendations

OBSERVATION: COMMUNICATION OF CORPORATE CARD POLICIES NEEDS IMPROVEMENT

UNC General Administration (UNC-GA) does not have a published corporate credit card policy in the formally adopted financial policy manual that resides on the organization's intranet. The internal document that is referred to as the corporate credit card policy is an informal list of general instructions and does not define all relevant roles and responsibilities for the UNC-GA corporate credit card program. The absence of a formal policy with defined expectations increases the risk of inappropriate card use and noncompliance with State policies.

The State Budget Manual authorizes the use of credit cards, such as American Express corporate cards, for employees during travel on official state business. As a sound business practice, individual organizations that engage in the program should develop and adopt clear policies and procedures for how the program will be internally handled. It would be helpful for such policies to outline the roles and responsibilities of the employees, supervisors, and program administrator. Formal policies should be documented, updated when needed, and readily accessible to employees and supervisors.

The organization's corporate card program is managed by staff in the finance department of UNC-GA. All employees, including those at UNC Television (UNC-TV), are expected to follow the program policies and procedures issued by UNC-GA finance staff. While UNC-GA finance has created guidance in an informal document and developed internal procedures for requesting, obtaining, using and managing the corporate card program, these are not part of the formal policies that reside in the organization's internal policy manual. The guidance is provided to individual employees requesting a corporate card application. For others to obtain UNC-GA corporate card guidance, they have to request the information from UNC-GA finance staff.

The corporate credit card instructions and policy needs enhancements to improve employees and supervisors understanding of the program and related expectations. For example, the UNC-GA instructions do not specifically state the card is only for travel (although it is implied). In addition, it does not indicate a potential violation could result in disciplinary action, identify conditions that could result in revoking the card privileges, or define what role others have when an account has a delinquent balance.

Recommendation: Management should update the formal UNC-GA financial policies manual to include a corporate credit card policy. Having it as part of the financial policy manual not only clearly identifies the document as a policy employees are expected to follow, but also makes it accessible to all employees.

In addition, UNC-GA finance should enhance the current guidance to address the roles and responsibilities of those approving employees to receive a card, employee use of the card, and employees overseeing the program. As the internal policy and procedures are re-evaluated, consider what would improve employees' clarity and understanding, especially new employees. For example, internal audit suggests management consider some combination of the following, along with other staff ideas:

- Assess if the policy should provide guidance regarding who should have a corporate credit card, such as those expected to travel frequently for business and guidance for judging "frequently."
- Assess if the corporate card policy should reference relevant State, University, and UNC-GA travel policies. Be clear that the corporate card users are to comply with the relevant travel policies. Remind cardholders that those with a corporate travel card should not typically request or receive a travel advance.

- Assess the cost/benefit of requiring employees to sign a form that documents he/she has read and agrees to the UNC-GA card policy.
- Assess the cost/benefit of requiring a supervisor and/or department head to approve an employee's request for a card and affirm that the employee is expected to travel frequently for work and, as such, a corporate card is appropriate.
- Assess if the policy should list specific examples of allowed or un-allowed card use. Based on other UNC-GA procedures for conference registration fees, airlines, and rental cars, consider if there are any limits or priorities for using the card.
- Assess if the policy should identify conditions under which the card can be revoked (such as failure to pay timely or repeated misuse).
- Assess if the policy should indicate that misuse can result in disciplinary action and identify the type of action that might be taken (such as a written warning or possible termination for repeated incidents).
- In the event of a past due account, consider if after multiple notices have been sent to the employee and his/her supervisor, should another level of management be notified.
- Consider the cost/benefit of reviewing card transactions for possible inappropriate use. Possible options are identifying specific events to initiate a review or developing a procedure for conducting a periodic review of a sample of accounts. As UNC-GA finance staff may not have the knowledge of each employee's duties to fully evaluate the activity, consider if certain information should be shared with the direct supervisor to review and confirm proper business use.
- In the event of a past due account or potential misuse, consider clarifying what duties and responsibilities reside with the program card administrator and a notified supervisor and/or other authoritative figure.
- Consider the cost/benefit of monitoring the card use and if it is not being used for frequent travel should the employee and/or supervisor be contacted to inquire if the card should it be cancelled.

Management Response: Management agrees to clarify and publish the American Express credit card policy in the formally adopted financial policy manual that resides on the intranet. The corporate card program is managed by UNC-GA's Purchasing staff. The Purchasing staff will review and establish best practices to help formalize UNC-GA's business American Express corporate card policies and procedures. Upon the Controller's review, the proposed implementation date is March 1, 2017.

Authorization of Tuition for 2017-18

The following RESOLUTION for the 2017-18 academic year reflects the tuition increases proposed by the campuses. The Board of Governors is recommending a maximum two percent tuition increase for undergraduate resident students. In addition, the 2016 General Assembly enacted a new guaranteed tuition program that fixes tuition rates for first-time full-time resident undergraduates and new transfer students that remain continuously enrolled for eight consecutive semesters or the equivalent number of remaining semesters for transfer students. New resident undergraduate tuition rates for 2017-18 will only apply to the cohort of students that enroll in the fall of 2017. The chancellors and their boards of trustees requested tuition rate increases consistent with legislative and UNC-GA guidelines.

RESOLUTION AUTHORIZING TUITION

WHEREAS, G.S. 116-143 requires that the Board of Governors of the University of North Carolina shall fix the tuition and fees, not inconsistent with the actions of the General Assembly, at the constituent institutions of the University.

NOW, THEREFORE, BE IT RESOLVED, that, effective with the Fall Term of 2017, the constituent institutions are authorized to charge and collect the following tuition rates.

I. 2017-18 Tuition Rates

In accordance with legislative and UNC-GA guidelines, campuses submitted tuition and fee proposals for 2017-18. The tuition amounts for all programs are shown on pages 2 through 11.

A. Increases in Tuition for Professional Schools

Ten campuses are proposing professional school tuition increases for 2017-18. The rates require BOG approval.

Appalachian State University

Master of Science in Applied Data Analytics (one-year program) – \$3,600

ASU requests an increase of \$3,600 in 2017-18 for all students in the MS in Applied Data Analytics program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$95) and nonresident graduate students (\$358). The additional revenue generated would be used to support marketing and recruitment, graduate assistantships and scholarships, and career and academic services.

Master of Health Administration – \$3,000

ASU requests an increase of \$3,000 in 2017-18 for all students in the MHA program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$95) and nonresident graduate students (\$358). The additional revenue generated would be used to cover technology requirements, communications and marketing materials, adjunct faculty and support staff, graduate assistantships and scholarships, faculty development, and research support.

East Carolina University

Brody School of Medicine – \$2,000

ECU requests an increase of \$2,000 in 2017-18 for all students in the medical school. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$93) and nonresident graduate students (\$351). Brody's SOM has developed four Distinction Tracks for students that provide opportunities for enhanced training and experience. These tracks prepare students for unique roles within medicine upon graduation. Funds would be used for ongoing support that would cover faculty time for Distinction Track leaders, training materials, outside speakers, and student summer stipend/dissemination support. Funds would also be used for new curriculum changes and administrative support in the clinical skills program.

East Carolina University (continued)School of Dental Medicine – \$1,000

ECU requests an increase of \$1,000 in 2017-18 for resident students in the School of Dental Medicine. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$93). The increased revenue would support two new positions (Learning Specialist and a General Dentistry faculty member).

College of Allied Health Sciences

Doctorate of Philosophy in Communication Sciences and Disorders – \$600

Master of Science in Communication Sciences and Disorders– \$1,500

Doctorate of Audiology in Communication Sciences and Disorders – \$600

ECU requests tuition increases shown above for all students in the Communication Sciences and Disorders program for 2017-18. These increases are in addition to the tuition rate increase proposed for resident graduate students (\$93) and nonresident graduate students (\$351). The additional revenue would allow ECU to increase student success in the classroom and clinic, provide administrative support for clinical services, provide student education and research support, and fund the retention of excellent faculty.

Fayetteville State UniversityMaster of Business Administration (online) – \$297 for residents and \$739 for nonresidents

FSU requests an increase of \$297 for residents and \$739 for nonresidents in the online MBA program for 2017-18. These increases are in addition to the tuition rate increase proposed for resident graduate students (\$67.41) and nonresident graduate students (\$284.38). The revenue generated would be used to upgrade specialized technology, offer cloud-based teleconferencing facilities, and provide higher stipends to adjunct instructors, many of whom hold senior positions in industry and government.

North Carolina A&T State UniversityJoint Master in Social Work – \$102 for residents and \$371 for nonresidents

NCA&T requests an increase of \$102 for resident students and \$371 for nonresidents in the joint program in Social Work (with UNCG) for 2017-18. NCA&T administers this program and the increase will allow NCA&T to charge the same rate as UNCG. Students will have access to activities and services regardless of campus home-base. The additional revenue would support administrative personnel to help with management of day-to-day operations, supplies, office equipment, and marketing materials.

Master of Business Administration – \$400

NCA&T requests an increase of \$400 for all students in the MBA program for 2017-18. The additional revenue would support the operating costs (salaries and other expenses), including efforts to increase marketing and awareness of this growing program.

North Carolina State UniversityPoole College of Management

Master of Business Administration – \$1,000

Master of Global Innovation Management – \$1,000

NCSU requests a \$1,000 increase in 2017-18 for all students in the programs above in the Poole College of Management. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$404) and nonresident graduate students (\$1,357). The additional revenue would support new faculty, leadership development, program enrichment (guest speakers), technology support and instructional design, and student financial aid.

College of Sciences

Master of Financial Mathematics – \$4,000

NCSU requests an increase in 2017-18 of \$4,000 for students in the Master of Financial Mathematics program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$404) and nonresident graduate students (\$1,357). The additional revenue would support a new career services position, a full-time graduate services coordinator (currently part-time), student interns, practitioner-led classes and workshops, advertising, competitive salary increases, and operating expenses.

College of Engineering

Master of Science in Chemical Engineering – \$2,400

NCSU requests an increase in 2017-18 of \$2,400 for students in the Master of Science in Chemical Engineering program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$404) and nonresident graduate students (\$1,357). The additional revenue would provide funds for teaching assistantships and part-time administrative staff, hiring of adjunct faculty, and financial aid/fellowships.

Master of Science in Computer Science – \$800

Master of Computer Science - \$800

NCSU requests an increase of \$800 in 2017-18 for students in the Master of Science in Computer Science and Master of Computer Science programs. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$404) and nonresident graduate students (\$1,357). The additional revenue would cover fellowships and program support, including faculty and teaching assistants, graduate program staff for advising and support services, software, equipment, and technical support.

College of Design

Doctorate of Design – \$4,000

NCSU requests an increase of \$4,000 in 2017-18 for students in the Doctorate of Design program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$404) and nonresident graduate students (\$1,357). The additional revenue would provide funds for graduate teaching assistantships, part of the Program Director's salary, travel costs for visiting faculty, video conferencing facilities/technical support, and logistical support to participants when attending intensive on-campus workshops.

UNC-Chapel HillKenan-Flagler Business School

Master of Accounting (MAC) – \$1,950

UNC-CH requests an increase of \$1,950 in 2017-18 for all students in the MAC program. The rate for 2017-18 will include summer school tuition for the first time. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The additional revenue would support faculty recruitment and retention, expanded curriculum, student fellowships, program quality enhancements, and program/staff support.

MAC Online (15-month program) – \$2,450
(100% receipt-supported)

UNC Kenan-Flagler Business School recently developed a 15-month MAC Online program for working professionals. The first classes began in Fall 2015. UNC-CH seeks permission to increase tuition and fees by \$2,450 for this program. This program is receipt-supported and receives no state appropriations.

Master of Business Administration – \$2,700 for residents and \$1,700 for nonresidents

UNC-CH requests increases as shown above for students in the MBA program for 2017-18. These increases are in addition to the tuition rate increase proposed for all graduate students (\$300). The additional revenue would support faculty recruitment and retention, reinstatement of elective course offerings that have been discontinued as a result of recent budget cuts, enhanced classroom technology, student fellowships, and program/staff support.

Executive MBA Programs (100% receipt-supported)

MBA for Executives Evening (24 months) – \$2,433
MBA for Executives Weekend (20 months) – \$3,213
MBA@UNC (24 months/online program) – \$9,419
OneMBA (21 months) – \$7,859

UNC-CH seeks permission to increase tuition and fees for the Executive MBA programs as shown above. These programs are entirely receipt-supported and receive no state appropriations. These rates are all-inclusive for students enrolled in the program and cover all related expenses for the duration of the program.

School of Information and Library Science – \$750

Master of Science in Information Science (MSIS)
Master of Science in Library Science (MSLS)
Post-Masters Certificate (PMC)

UNC-CH requests an increase of \$750 in 2017-18 for students in the above programs. These increases are in addition to the tuition rate increase proposed for all graduate students (\$300). The additional revenue would support adjunct-funded classes, student financial aid, and advanced technology support for the highly specialized data and technology courses.

UNC-Chapel Hill (continued)School of Media and Journalism

Master of Arts in Communication – \$750

UNC-CH requests an increase of \$750 in 2017-18 for all students in the Master of Arts in Communication program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). This is the first increase requested in ten years and the increased revenue would support faculty recruitment and retention, enhanced technology, program quality enhancements, assistantships for resident students, and program/staff support.

School of Social Work

Master of Social Work (MSW) – \$500

UNC-CH requests an increase of \$500 in 2017-18 for all students in the MSW program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The additional revenue would support faculty recruitment and retention, improvements to the quality of the curriculum, including online courses and smart classroom technology, student financial aid, faculty and field instructor development, and program/staff support.

Graduate School

Professional Science Masters in Biomedical and Health Informatics (PSM-BMHI) – \$2,000

UNC-CH requests an increase of \$2,000 in 2017-18 for all students in the PSM-BMHI program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The additional revenue would support hiring of adjunct faculty to develop and teach business skills courses, development of online courses, improvements to program administration and student services, and student financial aid.

School of Dentistry

Doctor of Dental Surgery (DDS) Resident Students – \$1,500

MS Programs – \$1,000

UNC-CH requests increases shown above for students in the School of Dentistry for 2017-18. These increases are in addition to the tuition rate increase proposed for all graduate students (\$300). The additional funds generated by the tuition increase would be used for faculty recruitment and retention, equipment replacement, clinical staff support, and student financial aid.

School of Medicine

MD – \$2,500

UNC-CH requests an increase of \$2,500 in 2017-18 for students in the MD program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The additional tuition revenue would fund faculty salary support, faculty development, program support, and student financial aid.

UNC-Chapel Hill (continued)School of Medicine/Dept. of Allied Health Sciences – \$500

Doctor of Audiology (AUDI)
 Doctor of Physical Therapy (DPT PHYT)
 Post-Professional Transitional – Doctorate Physical Therapy (tDPT-PHTX)
 MS in Occupational Therapy (MS-OCCT)
 MS in Speech-Language Pathology (MS-SPHS)
 MS in Clinical Rehabilitation & Mental Health Counseling (MS-CRMH)
 Master of Clinical Laboratory Science (MCLS)
 Master of Radiologic Science (MRS)
 Physician Assistant (2017-18 rate includes summer tuition)

UNC-CH requests an increase of \$500 in 2017-18 for students in the above Allied Health Science programs. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The additional funds are needed to meet the escalating program costs and, at the same time, to maintain the high quality of each graduate program. Funds would also be set aside for student financial aid.

School of Nursing – \$500

Doctorate of Nursing Practice (DNP)
 Master of Science in Nursing (MSN)
 Post Masters of Science in Nursing (PMSN)

UNC-CH requests an increase of \$500 in 2017-18 for all students in the School of Nursing programs shown above. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The additional tuition revenue will support program costs in the clinical environment and student financial aid.

Eshelman School of Pharmacy

PharmD – \$404

UNC-CH requests an increase of \$404 in 2017-18 for all students in the PharmD program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The funds generated would support the expanded experiential education program (earlier and more frequent pharmacy practice experiences), program quality improvement, including recruitment of faculty and staff, and student financial aid.

Gillings School of Global Public Health

Master of Health Administration (MHA) – \$1,000

UNC-CH requests an increase of \$1,000 in 2017-18 for all students in the MHA program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$300). The funds generated will be used for academic infrastructure/teaching support, teaching assistantships, and financial aid.

UNC CharlotteCollege of Business – \$6,000

Certificate in Business Analytics

Certificate in Entrepreneurship and Innovation

UNCC is requesting an increase of \$6,000 in 2017-18 for all students in the two new certificate programs shown above in the College of Business. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue generated would be used for program/staff support, assistantships, need-based financial aid, faculty and staff development, and faculty salary support.

Doctor in Business Administration (DBA) – \$21,000

UNCC is requesting an increase of \$21,000 in 2017-18 for all students in the new DBA program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue generated would be used for program/staff support, marketing, enhancement of classroom technology, faculty and staff development, and faculty salary support.

College of Health and Human Services – \$600

Master of Science in Public Health

Public Health Core Concepts Certificate (PHCC)

Community Health Certificate Program (COHP)

UNCC is requesting an increase of \$600 in 2017-18 for all students in the programs shown above in the College of Health and Human Services. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue generated would cover program support, membership to Association of Schools of Programs of Public Health for program visibility and recruitment, merit and need-based financial aid, and faculty and staff development.

Master of Science in Respiratory Care (MSRC) – \$1,000

UNCC is requesting an increase of \$1,000 in 2017-18 for all students in the new MSRC program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue generated would cover accreditation expenses, faculty salary support, clinical simulation equipment and technology support, teaching assistantships, faculty and staff development, and national marketing/networking.

Master of Science in Nursing – \$1,200 (*excludes MSN Nurse Anesthesia Track*)

Post-Masters Certificate in Advanced Practice Registered Nursing – \$1,200

Post-Masters Certificate in Nursing – \$1,200

UNCC is requesting an increase of \$1,200 in 2017-18 for all students in the above nursing programs in the College of Health and Human Services. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue generated would cover support for clinical instructors, lab and instructional supplies, recruitment, application processing enhancements, and merit and need-based financial aid.

UNC Charlotte (continued)College of Computing and Informatics

Information Security and Privacy Certificate – \$1,300

UNCC is requesting an increase of \$1,300 in 2017-18 for students in the Information Security and Privacy Certificate program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue would support recruitment of new faculty, laboratories and security-specific software and hardware, and teaching assistantships.

Master of Science in Cyber Security – \$4,000

Network Security Certificate – \$4,000

Secure Software Development Certificate – \$4,000

UNCC is requesting an increase of \$4,000 in 2017-18 for students in the Cyber Security programs shown above. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$85) and nonresident graduate students (\$348). The additional revenue would support recruitment of new faculty, teaching assistantships, student development and program activities, specialized software and hardware, and technology infrastructure.

UNC GreensboroSchool of Health and Human Sciences

Master of Arts in Speech Language Pathology (MA-SLP) – \$480

UNCG requests an increase of \$480 in 2017-18 for students in the MA-SLP program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$102) and nonresident graduate students (\$371). The funds generated would support student retention and success (graduate assistantships and other initiatives), faculty and support personnel, including a program coordinator, scientific equipment, and supplies/materials required to maintain the program.

School of Nursing

Doctor of Nursing Practice/Nurse Anesthesia (DNP) – \$1,000

UNCG requests an increase of \$1,000 in 2017-18 for students in the DNP program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$102) and nonresident graduate students (\$371). The funds generated would support program quality enhancements, database access to Medatrax and required review courses and exams, lab and simulation supplies, and education equipment.

UNC WilmingtonCameron School of Business – \$3,741.36

Executive Master of Business Administration (MBA)
Business Foundations Certificate

UNCW requests an increase of \$3,741.36 in 2017-18 for all students in the above programs in the Cameron School of Business. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$177.77) and nonresident graduate students (\$1,166.82). The funds generated would cover course maintenance stipends, merit and need-based scholarships, marketing, an instructional designer to aid in the development and maintenance of online course materials, and program support.

Master of Science in Accountancy – \$4,230

UNCW requests an increase of \$4,230 in 2017-18 for all students in the MS in Accountancy program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$177.77) and nonresident graduate students (\$1,166.82). The additional revenue would support CPA exam review materials to enable faculty to incorporate these materials into all MSA courses, faculty professional development, and marketing and recruitment events.

Master of Science in Computer Science and Information Systems – \$180

UNCW requests an increase of \$180 in 2017-18 for all students in the MS in Computer Science and Information Systems program. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$177.77) and nonresident graduate students (\$1,166.82). The additional revenue would support marketing, student travel, research equipment, and merit and need-based financial aid.

College of Arts and Sciences

Master of Fine Arts in Filmmaking – \$3,875

UNCW requests an increase of \$3,875 in 2017-18 for all students in the Master of Fine Arts in Filmmaking. This increase is in addition to the tuition rate increase proposed for resident graduate students (\$177.77) and nonresident graduate students (\$1,166.82). This new program that will begin in the fall of 2017 is an equipment-intensive program and the funds generated would cover equipment and production costs, including funding for student film projects, teaching assistantships, and merit and need-based scholarships.

Western Carolina UniversityCollege of Health and Human Sciences

Master of Social Work (MSW) – \$600

WCU requests an increase of \$600 in 2017-18 for all students in the MSW program. This increase is in addition to the tuition rate increase proposed for all graduate students (\$87). The revenue generated would support a field education coordinator and travel expenses to clinical internship sites.

B. 2017-18 Increases in Regular Tuition Rates

Institution		N.C. Residents		Nonresidents	
		From	To	From	To
North Carolina State University					
	<i>UG</i>	6,407.00	6,535.00	23,926.00	24,883.00
	<i>Grad</i>	8,088.00	8,492.00	22,610.00	23,967.00
College of Veterinary Medicine					
	<i>Grad</i>	16,032.00	16,436.00	41,269.00	42,626.00
	<i>Grad</i>	8,088.00	8,492.00	22,610.00	23,967.00
Institute for Advanced Analytics					
	<i>Grad</i>	18,088.00	18,492.00	32,610.00	33,967.00
College of Management					
	<i>Grad</i>	20,150.00	20,554.00	34,610.00	35,967.00
	<i>Grad</i>	21,213.00	22,617.00	36,220.00	38,577.00
	<i>Grad</i>	21,213.00	22,617.00	36,220.00	38,577.00
College of Design					
	<i>UG</i>	7,807.00	7,935.00	25,326.00	26,283.00
	<i>Grad</i>	9,488.00	9,892.00	24,010.00	25,367.00
	<i>Grad</i>	9,488.00	9,892.00	24,010.00	25,367.00
	<i>Grad</i>	9,488.00	9,892.00	24,010.00	25,367.00
	<i>Grad</i>	9,488.00	9,892.00	24,010.00	25,367.00
	<i>Grad</i>	9,488.00	9,892.00	24,010.00	25,367.00
	<i>Grad</i>	8,088.00	12,492.00	22,610.00	27,967.00
College of Engineering					
	<i>Grad</i>	8,088.00	10,892.00	22,610.00	26,367.00
	<i>Grad</i>	12,888.00	13,292.00	27,410.00	28,767.00
	<i>Grad</i>	12,888.00	13,292.00	27,410.00	28,767.00
	<i>Grad</i>	12,888.00	13,292.00	27,410.00	28,767.00
	<i>Grad</i>	12,888.00	13,292.00	27,410.00	28,767.00
	<i>Grad</i>	12,888.00	14,092.00	27,410.00	29,567.00
	<i>Grad</i>	12,888.00	14,092.00	27,410.00	29,567.00
College of Sciences					
	<i>Grad</i>	14,088.00	18,492.00	28,610.00	33,967.00
UNC-Chapel Hill					
<i>Academic Affairs</i>	<i>UG</i>	6,881.00	7,019.00	31,963.00	32,602.00
	<i>Grad</i>	9,643.00	9,943.00	26,854.00	27,154.00
School of Business					
	<i>Grad</i>	34,491.00	40,091.00	48,452.00	57,452.00
	<i>Grad</i>	61,360.00	63,810.00	61,360.00	63,810.00
	<i>Grad</i>	40,015.00	43,015.00	56,138.00	58,138.00
	<i>Grad</i>	81,090.00	83,523.00	81,090.00	83,523.00
	<i>Grad</i>	107,100.00	110,313.00	107,100.00	110,313.00
	<i>Grad</i>	112,270.00	120,129.00	112,270.00	120,129.00
	<i>Grad</i>	104,659.00	114,078.00	104,659.00	114,078.00
	<i>Grad</i>	77,440.00	77,440.00	77,440.00	77,440.00
Graduate School					
	<i>Grad</i>	13,643.00	15,943.00	30,854.00	33,154.00
	<i>Grad</i>	17,643.00	17,943.00	34,854.00	35,154.00
Sch. of Media & Journalism	<i>Grad</i>	12,226.00	12,526.00	28,278.00	28,578.00
	<i>Grad</i>	12,226.00	13,276.00	28,278.00	29,328.00
School of Law					
	<i>Grad</i>	20,232.00	20,532.00	36,863.00	37,163.00
	<i>Grad</i>		N/A	42,890.00	43,190.00

B. 2017-18 Increases in Regular Tuition Rates (continued)

Institution		North Carolina Residents		Nonresidents	
		From	To	From	To
UNC-Chapel Hill (continued)					
School of Education					
Master of Arts in Teaching	Grad	10,643.00	10,943.00	27,854.00	28,154.00
Master in School Administration	Grad	10,643.00	10,943.00	27,854.00	28,154.00
Master in Educational Innovation, Technology & Entrepreneurship	Grad	17,643.00	17,943.00	34,854.00	35,154.00
School of Government (MPA)	Grad	10,593.00	10,893.00	27,804.00	28,104.00
MPA @ UNC (27 months)	Grad	52,800.00	52,800.00	52,800.00	52,800.00
School of Info. & Library Science					
MS in Information Science	Grad	11,893.00	12,943.00	29,104.00	30,154.00
MS in Library Science	Grad	11,893.00	12,943.00	29,104.00	30,154.00
Post Masters Certificate	Grad	14,893.00	15,943.00	32,104.00	33,154.00
School of Social Work (MSW)	Grad	12,443.00	13,243.00	29,404.00	30,204.00
Health Affairs					
School of Pharmacy					
Pharm D Candidate	Grad	20,223.00	20,927.00	42,687.00	43,391.00
School of Nursing	UG	6,881.00	7,019.00	31,963.00	32,602.00
MS in Nursing	Grad	14,943.00	15,743.00	32,154.00	32,954.00
Post Masters of Science in Nursing	Grad	14,943.00	15,743.00	32,154.00	32,954.00
Doctor of Nursing Practice	Grad	14,943.00	15,743.00	32,154.00	32,954.00
School of Public Health	UG	6,881.00	7,019.00	31,963.00	32,602.00
	Grad	10,509.00	10,809.00	26,963.00	27,263.00
Master of Public Health	Grad	16,009.00	16,309.00	32,463.00	32,763.00
MS in Public Health	Grad	16,009.00	16,309.00	32,463.00	32,763.00
Master of Healthcare Administration	Grad	14,009.00	15,309.00	30,463.00	31,763.00
MS in Environmental Engineering	Grad	11,709.00	12,009.00	28,163.00	28,463.00
Doctoral Program	Grad	14,509.00	14,809.00	30,963.00	31,263.00
School of Dentistry					
D.D.S. Candidate	Grad	31,065.00	32,865.00	52,560.00	54,360.00
Dental Hygiene	UG	6,881.00	7,019.00	31,963.00	32,602.00
Dental Graduate (except Oral Biology)	Grad	11,244.00	11,544.00	28,576.00	28,876.00
Dental MS Programs (except Oral Biology)	Grad	12,444.00	13,744.00	29,776.00	31,076.00
School of Medicine					
M.D. Candidate	Grad	24,837.00	27,637.00	51,716.00	54,516.00
Medical Technology	UG	6,881.00	7,019.00	31,963.00	32,602.00
School of Medicine/Allied Health Sciences					
Master of Clinical Laboratory Science	Grad	15,993.00	16,793.00	33,204.00	34,004.00
Master of Radiologic Science	Grad	15,993.00	16,793.00	33,204.00	34,004.00
Doctor of Audiology	Grad	15,993.00	16,793.00	33,204.00	34,004.00
Doctor of Physical Therapy - Entry Level	Grad	15,993.00	16,793.00	33,204.00	34,004.00
Post-Prof. Transitional-Doctorate					
Physical Therapy	Grad	15,993.00	16,793.00	33,204.00	34,004.00
MS in Occupational Therapy	Grad	15,993.00	16,793.00	33,204.00	34,004.00
MS in Clinical Rehabilitation and Mental Health Counseling	Grad	15,993.00	16,793.00	33,204.00	34,004.00
MS in Speech-Lang. Pathology	Grad	15,993.00	16,793.00	33,204.00	34,004.00
Physician Assistant (includes summer)	Grad	25,450.00	26,250.00	47,450.00	48,250.00

B. 2017-18 Increases in Regular Tuition Rates (continued)

Institution		North Carolina Residents		Nonresidents	
		From	To	From	To
East Carolina University	<i>UG</i>	4,365.00	4,452.00	20,323.00	20,729.00
	<i>Grad</i>	4,656.00	4,749.00	17,547.00	17,898.00
Master of Business Admin.	<i>Grad</i>	6,906.00	6,999.00	19,797.00	20,148.00
Master of Science in Accounting	<i>Grad</i>	6,906.00	6,999.00	19,797.00	20,148.00
School of Dental Medicine	<i>Grad</i>	26,851.00	27,944.00	N/A	
School of Medicine	<i>Grad</i>	18,159.00	20,252.00	46,298.00	48,649.00
Master of Public Health	<i>Grad</i>	6,456.00	6,549.00	19,347.00	19,698.00
MS in Communication Science and Disorders	<i>Grad</i>	6,156.00	7,749.00	19,047.00	20,898.00
MS in Nursing	<i>Grad</i>	6,906.00	6,999.00	19,797.00	20,148.00
Post Masters of Science in Nursing	<i>Grad</i>	6,906.00	6,999.00	19,797.00	20,148.00
Doctor of Nursing	<i>Grad</i>	6,906.00	6,999.00	19,797.00	20,148.00
Doctor of Nursing Practice	<i>Grad</i>	7,706.00	7,799.00	20,597.00	20,948.00
MS in Occupational Therapy	<i>Grad</i>	6,056.00	6,149.00	18,947.00	19,298.00
Master of Social Work	<i>Grad</i>	5,268.00	5,361.00	18,159.00	18,510.00
Doctor of Audiology	<i>Grad</i>	6,456.00	7,149.00	19,347.00	20,298.00
Doctor of Physical Therapy	<i>Grad</i>	5,356.00	5,449.00	18,247.00	18,598.00
Physician Assistant	<i>Grad</i>	8,593.00	8,686.00	21,484.00	21,835.00
Doctor of Philosophy in Communication Sciences & Disorders	<i>Grad</i>	6,456.00	7,149.00	19,347.00	20,298.00
N.C. A&T State University	<i>UG</i>	3,470.00	3,540.00	16,230.00	16,430.00
	<i>Grad</i>	4,545.00	4,745.00	16,950.00	17,150.00
Master of Business Administration	<i>Grad</i>	6,345.00	6,745.00	18,750.00	19,150.00
Joint Masters in Social Work	<i>Grad</i>	5,117.00	5,219.00	18,566.00	18,937.00
UNC Charlotte	<i>UG</i>	3,737.00	3,812.00	16,908.00	17,246.00
	<i>Grad</i>	4,252.00	4,337.00	17,423.00	17,771.00
College of Business					
Master of Accountancy	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
Master of Business Administration	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
Doctor in Business Administration	<i>Grad</i>	New	25,337.00	New	38,771.00
Business Foundations Certificate	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
Business Analytics Certificate	<i>Grad</i>	New	10,337.00	New	23,771.00
Entrepreneurship & Innovation Certificate	<i>Grad</i>	New	10,337.00	New	23,771.00
MBA Plus Certificate	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
MS in Economics	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
Applied Econometrics Certificate	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
MS in Mathematical Finance	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
MS in Real Estate	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
Real Estate & Financial Devel. Certificate	<i>Grad</i>	10,252.00	10,337.00	23,423.00	23,771.00
College of Arts & Architecture					
Master of Architecture	<i>Grad</i>	6,002.00	6,087.00	19,173.00	19,521.00
Master of Urban Design	<i>Grad</i>	6,002.00	6,087.00	19,173.00	19,521.00
College of Business and the College of Computing and Informatics					
PSM in Data Science & Business Analytics	<i>Grad</i>	11,252.00	11,337.00	24,423.00	24,771.00
Data Science Business Analytics Certificate	<i>Grad</i>	11,252.00	11,337.00	24,423.00	24,771.00
College of Computing and Informatics					
MS in Computer Science	<i>Grad</i>	6,952.00	7,037.00	20,123.00	20,471.00
MS in Information Technology	<i>Grad</i>	6,952.00	7,037.00	20,123.00	20,471.00
MS in Cyber Security	<i>Grad</i>	4,252.00	8,337.00	17,423.00	21,771.00

B. 2017-18 Increases in Regular Tuition Rates (continued)

Institution		North Carolina Residents		Nonresidents	
		From	To	From	To
UNC Charlotte (continued)					
Network Security Certificate	Grad	4,252.00	8,337.00	17,423.00	21,771.00
Secure Software Development Certificate	Grad	4,252.00	8,337.00	17,423.00	21,771.00
Bioinformatics Applications Certificate	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Bioinformatics Technology Certificate	Grad	6,952.00	7,037.00	20,123.00	20,471.00
PSM in Bioinformatics	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Advanced Databases & Knowledge					
Discovery Certificate	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Game Design & Development Certificate	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Management of Information Technology					
Certificate	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Information Security & Privacy Certificate	Grad	6,952.00	8,337.00	20,123.00	21,771.00
College of Health and Human Services					
Master of Health Administration	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Master of Public Health	Grad	4,252.00	4,937.00	17,423.00	18,371.00
MS in Respiratory Care	Grad	New	5,337.00	New	18,771.00
MS in Nursing (excludes MSN Anesthesia track)	Grad	4,252.00	5,537.00	17,423.00	18,971.00
Nursing Post-Masters Certificate	Grad	4,252.00	5,537.00	17,423.00	18,971.00
Advanced Practice RN Post-Masters Cert.	Grad	4,252.00	5,537.00	17,423.00	18,971.00
Doctor of Nursing Practice	Grad	9,052.00	9,137.00	22,223.00	22,571.00
PhD of Public Health Sciences	Grad	6,052.00	6,137.00	19,223.00	19,571.00
PSM of Health Informatics	Grad	6,952.00	7,037.00	20,123.00	20,471.00
Public Health Core Concepts Certificate	Grad	4,252.00	4,937.00	17,423.00	18,371.00
Community Health Certificate	Grad	4,252.00	4,937.00	17,423.00	18,371.00
Health Informatics Certificate	Grad	6,952.00	7,037.00	20,123.00	20,471.00
College of Engineering					
MS in Engineering	Grad	6,052.00	6,137.00	19,223.00	19,571.00
MS in Civil Engineering	Grad	6,052.00	6,137.00	19,223.00	19,571.00
MS in Electrical Engineering	Grad	6,052.00	6,137.00	19,223.00	19,571.00
MS in Mechanical Engineering	Grad	6,052.00	6,137.00	19,223.00	19,571.00
MS in Engineering Management	Grad	6,052.00	6,137.00	19,223.00	19,571.00
MS in Construction & Facilities Mgmt.	Grad	6,052.00	6,137.00	19,223.00	19,571.00
Master of Fire Protection & Admin.	Grad	6,052.00	6,137.00	19,223.00	19,571.00
PhD in Infrastructure & Environmental Sys.	Grad	6,052.00	6,137.00	19,223.00	19,571.00
PhD in Electrical Engineering	Grad	6,052.00	6,137.00	19,223.00	19,571.00
PhD in Mechanical Engineering	Grad	6,052.00	6,137.00	19,223.00	19,571.00
MS in Applied Energy & Electromechanical					
Systems	Grad	6,052.00	6,137.00	19,223.00	19,571.00
College of Liberal Arts & Sciences					
Master of Industrial/Organizational					
Psychology	Grad	6,652.00	6,737.00	19,823.00	20,171.00
UNC Greensboro					
	UG	4,335.00	4,422.00	19,197.00	19,581.00
	Grad	5,117.00	5,219.00	18,566.00	18,937.00
School of Business					
MS in Accounting	Grad	9,677.00	9,779.00	23,126.00	23,497.00
MA in Applied Economics	Grad	6,557.00	6,659.00	20,006.00	20,377.00
Master of Business Administration	Grad	9,677.00	9,779.00	23,126.00	23,497.00
MS in Athletic Training	Grad	8,717.00	8,819.00	22,166.00	22,537.00
MS in Consumer, Apparel, and Retail					
Studies	Grad	7,997.00	8,099.00	21,446.00	21,817.00

B. 2017-18 Increases in Regular Tuition Rates (continued)

Institution		North Carolina Residents		Nonresidents	
		From	To	From	To
UNC Greensboro (continued)					
MS in Information Technology and Management	Grad	9,677.00	9,779.00	23,126.00	23,497.00
School of Education					
MS in Counseling	Grad	5,837.00	5,939.00	19,286.00	19,657.00
MS in Counseling and Educational Specialist (dual degree)	Grad	5,837.00	5,939.00	19,286.00	19,657.00
PhD in Counseling and Counselor Education	Grad	5,837.00	5,939.00	19,286.00	19,657.00
School of Health and Human Services					
MA in Comm. Science and Disorders	Grad	7,457.00	8,039.00	20,906.00	21,757.00
MS in Genetic Counseling	Grad	7,673.00	7,775.00	21,122.00	21,493.00
School of Nursing					
Doctor of Nursing Practice	Grad	7,117.00	8,219.00	20,566.00	21,937.00
Appalachian State University	UG	4,159.00	4,242.00	18,675.00	19,049.00
	Grad	4,744.00	4,839.00	17,913.00	18,271.00
MS in Accounting	Grad	8,344.00	8,439.00	21,513.00	21,871.00
Master of Business Admin.	Grad	8,344.00	8,439.00	21,513.00	21,871.00
MS in Applied Data Analytics	Grad	New	8,439.00	New	21,871.00
Master of Health Administration	Grad	New	7,839.00	New	21,271.00
Fayetteville State University	UG	2,922.76	2,982.00	14,531.00	14,590.00
	Grad	3,370.56	3,437.97	14,219.00	14,503.38
MBA Online	Grad	3,370.56	3,734.97	14,219.00	15,242.38
North Carolina Central University	UG	3,655.00	3,728.00	16,113.00	16,435.00
	Grad	4,647.00	4,740.00	17,347.00	17,694.00
Master of Business Admin.	Grad	5,447.00	5,540.00	18,147.00	18,494.00
School of Law, Returning Students	Grad	13,109.00	13,202.00	34,414.00	34,761.00
School of Law, New Students	Grad	13,351.00	13,444.00	35,769.00	36,116.00
Master of Public Administration	Grad	4,947.00	5,040.00	17,647.00	17,994.00
Master of Library Science	Grad	4,947.00	5,040.00	17,647.00	17,994.00
UNC Pembroke	UG	3,531.00	3,602.00	14,475.00	15,193.00
	Grad	3,639.00	3,820.00	13,896.00	14,586.00
Master of Business Administration	Grad	3,854.00	4,035.00	14,111.00	14,801.00
Master of Science in Nursing	Grad	3,854.00	4,035.00	14,111.00	14,801.00
UNC Wilmington	UG	4,355.50	4,443.00	18,324.51	18,508.00
	Grad	4,448.23	4,626.00	16,667.18	17,834.00
School of Business					
MS in Accountancy	Grad	5,030.08	9,437.85	17,209.26	22,606.08
Master of Business Administration	Grad	5,257.78	5,435.55	17,209.26	18,376.08
Executive MBA (online)	Grad	4,448.23	8,367.36	16,667.18	21,575.36
Business Foundations Certificate	Grad	4,448.23	8,367.36	16,667.18	21,575.36
MS in Computer Science & Info. Systems	Grad	New	4,806.00	New	18,014.00
College of Arts and Sciences					
MA in Filmmaking	Grad	New	8,501.00	New	21,709.00
College of Health and Human Services					
Doctor of Nursing Practice	Grad	5,788.23	5,966.00	18,007.18	19,174.00

B. 2017-18 Increases in Regular Tuition Rates (continued)

Institution		North Carolina Residents		Nonresidents	
		From	To	From	To
Western Carolina University	<i>UG</i>	3,893.00	3,971.00	14,286.00	14,364.00
	<i>Grad</i>	4,348.00	4,435.00	14,755.00	14,842.00
College of Business					
Master of Accountancy	<i>Grad</i>	5,248.00	5,335.00	16,555.00	16,642.00
Master of Business Admin.	<i>Grad</i>	5,248.00	5,335.00	16,555.00	16,642.00
Master of Entrepreneurship	<i>Grad</i>	5,248.00	5,335.00	16,555.00	16,642.00
Master of Project Management	<i>Grad</i>	5,248.00	5,335.00	16,555.00	16,642.00
College of Health & Human Services					
Certified RN Anesthetist	<i>Grad</i>	9,148.00	9,235.00	19,555.00	19,642.00
Master of Comm. Sciences					
& Disorders	<i>Grad</i>	5,548.00	5,635.00	15,955.00	16,042.00
Doctor of Nursing Practice (DNP)	<i>Grad</i>	9,148.00	9,235.00	19,555.00	19,642.00
Doctor of Physical Therapy	<i>Grad</i>	5,168.00	5,255.00	17,656.00	17,743.00
Family Nurse Practitioner	<i>Grad</i>	4,948.00	5,035.00	15,355.00	15,442.00
Master of Social Work	<i>Grad</i>	4,948.00	5,635.00	15,355.00	16,042.00
Winston-Salem State University	<i>UG</i>	3,335.00	3,401.00	13,446.00	13,648.00
	<i>Grad</i>	3,796.00	3,872.00	13,713.00	13,987.00
Doctor of Nursing Practice (DNP)	<i>Grad</i>	5,796.00	5,872.00	15,713.00	15,987.00
Doctor of Physical Therapy	<i>Grad</i>	5,796.00	5,872.00	15,713.00	15,987.00
MS in Nursing	<i>Grad</i>	5,296.00	5,372.00	15,213.00	15,487.00
MS in Occupational Therapy	<i>Grad</i>	5,296.00	5,372.00	15,213.00	15,487.00
UNC Asheville	<i>UG</i>	4,041.00	4,122.00	20,436.00	20,845.00
	<i>Grad</i>	4,818.00	4,914.00	20,820.00	21,236.00
Elizabeth City State University	<i>UG</i>	2,800.00	2,856.00	15,771.18	16,000.00
	<i>Grad</i>	3,375.43	3,375.43	16,437.13	16,437.13
UNC School of the Arts	<i>UG</i>	6,370.00	6,497.00	21,840.00	22,240.00
	<i>Grad</i>	7,996.00	8,396.00	21,403.00	22,103.00
High School		0.00	0.00	12,371.00	12,771.00

Proposed increases for professional schools may also include the requested campus-based increase for resident and nonresident graduate students.

II. 2017-18 Special Tuition Rates

Nonresident Graduate Students

Consistent with the General Statutes and by authorization of the Board of Governors through a resolution passed by the Board in 1983, the campuses are authorized to charge special tuition rates for nonresident graduate students.

For nonresident graduate students that are awarded a graduate teaching or research assistantship and who are paid a stipend of at least \$2,000 per academic year, the institution may award tuition remission to reduce the nonresident tuition rate to the in-state rate. For example, the nonresident graduate student tuition rate is proposed to increase from \$22,610 to \$23,967 at North Carolina State University for 2017-18. NCSU graduate nonresident students who are eligible to receive tuition remission will be charged the resident tuition rate, which is proposed to increase from \$8,088 to \$8,492 for the 2017-18 academic year.

Each campus receives a state appropriation for graduate tuition remissions and some campuses supplement this appropriation from other non-state sources. Institutions may not provide graduate tuition remissions to all students. The number of awards is limited to those that meet the criteria and the budget availability.

Note: The 2011 General Assembly eliminated state appropriations for nonresident undergraduate tuition waivers that had been in place since 1983 [Sec. 9.13(b) of S.L. 2011-145].

III. Tuition for Students Enrolled in Degree-Credit Distance Education Courses

Distance education students are charged on a per-credit-hour basis, rather than a “stair-step” methodology charged to regular-term students. The Distance Education per-credit-hour tuition rate is derived by dividing regular term tuition costs by 29.6 for undergraduates and 20.4 for graduate students. Since distance education students are not charged athletics, health services, and student activities fees, the cost of education is considerably lower than students that are taking courses using face-to-face instruction.

It is proposed that, effective with the Fall Term of 2017, resident students and nonresident students taking courses within North Carolina that are enrolled in distance education courses be charged the regular-term tuition rates established in Section I. It is further proposed that tuition rates for these students be implemented on a per-credit-hour basis and that the charge per credit hour be calculated as follows:

- For undergraduate courses, the rate per student credit hour would be the annual rate divided by 29.6 hours.
- For graduate courses, the rate per student credit hour would be the annual rate divided by 20.4 hours.

It is further proposed that the Board delegate to the president the authority to set tuition rates for nonresident students taking courses outside North Carolina. These are students who primarily take courses via the Internet.

Authorization of Fees for 2017-18

The following RESOLUTION for the 2017-18 academic year reflects fee increase proposals by each campus. Chancellors requested fee increases consistent with the tuition and fee instructions, which included a three percent cap on student fee increases (including debt service fees) enacted by the 2016 General Assembly.

RESOLUTION AUTHORIZING FEES

WHEREAS, G.S. 116-143 requires that the Board of Governors of the University of North Carolina shall fix the tuition and fees, not inconsistent with the actions of the General Assembly, at the constituent institutions of the University.

NOW, THEREFORE, BE IT RESOLVED, that, effective with Fall Term 2017, the constituent institutions are authorized to charge and collect the following fees.

Athletics Fees

Athletics Fee revenues provide funds for intercollegiate athletic programs and for the maintenance and operation of athletic facilities.

Increases are requested in Athletics Fees at 13 institutions for 2017-18. The primary purpose for requesting these increases is to meet athletic conference/division requirements for scholarships and gender equity. The cost of providing athletic scholarships has been impacted by recent tuition increases and the loss of the provision for out-of-state full scholarship student athletes (G.S. 116-143.6).

FSU's increase of \$50 will be used to make programmatic changes that will expand its Title IX compliance capacity to meet and sustain the scholarship disparity between men's and women's sports. Currently, FSU is out of compliance with Title IX requirements and must close a 10% scholarship gap. Funds would also be used to conduct a feasibility study for sports expansion and help with athletic facilities upgrades.

NCCU's athletics fee has not been increased since the institution moved to a Division I FCS program four years ago. The increase of \$58.12 would help to offset the revenue loss by moving from two game guarantees per year in football to one. This move is being made to support the student athletes by minimizing exposure to significant injury by playing larger FCS schools. Funds would also be used to support equity through compliance with Title IX requirements. WSSU's increase of \$51 would support the rising costs of team travel, equipment and supplies, athletic scholarships, and enhancement of operations.

The proposed Athletics Fees, effective Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
Appalachian State University	\$22.00	\$760.00
East Carolina University	27.00	723.00
Elizabeth City State University	16.00	815.00
Fayetteville State University	50.00	718.00
North Carolina A&T State University	22.00	830.00
North Carolina Central University	58.12	807.00
North Carolina State University	–	232.00
UNC Asheville	24.00	830.00
UNC-Chapel Hill	–	279.00
UNC Charlotte	22.00	824.00
UNC Greensboro	22.00	739.00
UNC Pembroke	34.52	739.52
UNC Wilmington	25.00	749.55
UNC School of the Arts	N/A	N/A
Western Carolina University	26.00	756.00
Winston-Salem State University	51.00	745.00

Health Services Fees

Health Services Fees finance health and medical services for students, including the maintenance and operation of student health centers. Changes are requested at 15 institutions for 2017-18 to expand services and provide for operating expenses, particularly in the cost of medical supplies and equipment.

ASU's increase of \$31 would fund new programs and maintain existing programs in the Office of Wellness and Prevention Services. Funds would also help to maintain a one-month reserve balance for operating expenses.

UNCW's request of \$28.50 would support new positions, including a psychiatrist, nurse, medical provider, and peer educators. Funds would also cover increased medical operating expenses. UNCSCA's increase of \$25 would help defray the cost of licensure maintenance among the clinical staff and support the legislative salary and benefit increases.

The proposed Health Services Fees, effective Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
Appalachian State University	\$31.00	\$325.00
East Carolina University	8.00	263.00
Elizabeth City State University	4.76	255.03
Fayetteville State University	14.00	215.00
North Carolina A&T State University	5.00	338.50
North Carolina Central University	–	242.66
North Carolina State University	20.00	392.00
UNC Asheville	12.00	368.00
UNC-Chapel Hill	11.10	381.10
UNC Charlotte	7.00	236.00
UNC Greensboro	9.00	293.00
UNC Pembroke	5.00	175.00
UNC Wilmington	28.50	219.00
UNC School of the Arts	25.00	882.00
Western Carolina University	10.00	306.00
Winston-Salem State University	20.00	267.00

Student Activities Fees

Student Activities Fees provide funds for non-academic student services and for the maintenance and operation of facilities used in conjunction with those services. Included are funds to operate student unions and intramural facilities, and provide for student organizations, newspapers, yearbooks, and entertainment programs. Increases are requested by 13 campuses in 2017-18.

ECU's two new student unions will both open in the next 18 months. ECU's proposed increase of \$50 will support building operations, including utilities and additional staff and student workers. The funds would also be used to incorporate new wellness programming. NCA&T's new student center will open in the spring of 2018 and the requested increase of \$36 would fund building operations, including expanded programming. UNCG's increase of \$36 would provide for additional programming and maintenance costs for the Kaplan Recreation Center. WCU's increase of \$46 would support the legislative salary and benefit increases and repairs and renovations to the student activity facilities and intramural fields.

The proposed Student Activities Fees, effective Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
Appalachian State University	\$ 1.00	\$646.00
East Carolina University	50.00	649.00
Elizabeth City State University	14.19	703.00
Fayetteville State University	—	543.00
North Carolina A&T State University	36.00	666.50
North Carolina Central University		
Undergraduate	—	476.40
Graduate	—	426.80
Law	—	446.72
North Carolina State University	17.14	663.32
UNC Asheville	26.00	768.00
UNC-Chapel Hill		
Undergraduate	15.78	391.23
Graduate	5.78	369.25
Law	16.00	198.50
Pharmacy	—	7.50
UNC Charlotte	21.00	613.00
UNC Greensboro	36.00	513.00
UNC Pembroke	4.00	653.40
UNC Wilmington	2.80	687.95
UNC School of the Arts	15.00	748.00
High School	1.00	802.00
Western Carolina University	46.00	618.00
Winston-Salem State University	—	530.70

Educational and Technology Fees

Educational and Technology Fees were instituted as a result of the study of student fees conducted by the Board of Governors in 1992-93 and adopted in May 1993. These fees provide for specialized instructional supplies and services and for scientific and information technology equipment not provided by state funds. Increases are requested at 10 campuses for 2017-18 to meet the rising costs of providing the current level of services and program expansion.

ASU's increase of \$30 would support the legislative salary and benefit costs for personnel covered by fee receipts and also cover the cost of supplies and services. Funds would also be used to support the new College of Health Sciences technology infrastructure. The revenue generated from NCA&T's increase of \$21.14 would fund upgrades of computer labs and classroom equipment. Funds would also be used to support a new position responsible for technical and analytical work in developing, designing, and supporting applications that directly impact students.

UNCC's increase of \$30 would provide funds to improve ITS service delivery and combine faculty/staff and student service desks to provide enhanced services. Funds would also cover cable and network infrastructure renovations, completion of campus-wide wireless upgrade, and planning and building of a new campus-wide data center.

The proposed Educational and Technology Fees, effective Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
Appalachian State University	\$30.00	\$576.00
East Carolina University	13.00	395.00
Elizabeth City State University	6.00	326.00
Fayetteville State University	–	360.00
North Carolina A&T State University	21.14	426.31
North Carolina Central University	–	428.15
North Carolina State University	–	439.28
UNC Asheville	17.00	490.00
UNC-Chapel Hill	–	444.86
UNC Charlotte	30.00	582.00
UNC Greensboro	13.00	433.00
UNC Pembroke	20.00	422.77
UNC Wilmington	1.28	494.24
UNC School of the Arts	19.00	684.00
Western Carolina University	–	544.00
Winston-Salem State University	–	416.46

Campus Security Fee

The 2013-14 UNC Campus Security Initiatives Report included high priority recommendations for new initiatives, staffing, and security measures designed to benefit the UNC institutions. The Board approved this new \$30 annual fee in 2015; there will be no increases allowed for 2017-18.

The fee assessed to students by each campus provides the University with approximately \$5.4 million annually that allows for campus-based implementation of priority needs, while incenting shared services, collaboration, group purchasing and efficiency on a system level, where most appropriate.

Indebtedness Fees

Under the policy for the establishment of fees adopted by the Board of Governors in 1993 and revised in 2003, fees for the retirement of indebtedness are approved at the time a project is approved and established at the time that debt is incurred. Indebtedness fees, once established, remain in effect until the debt is retired.

ECU's reduction of \$50 is due to the actual interest rate for the two new student centers being lower than anticipated. In coordination with the expiration of its \$53 Administrative Computing Fee, UNCC is requesting an increase of \$50 to the existing Infrastructure Improvement Fee. This fee is used to support the debt service associated with current campus-wide capital infrastructure improvement projects. Per UNCC ITS, \$2.0 to \$2.5 million is needed on an annual basis in order to effectively address critical campus-wide IT infrastructure needs, which would have been funded in part by the now expiring Administrative Computing Fee. This increase would serve to generate approximately \$1.25 million and would be used to supplement funds provided to UNCC ITS through the Educational and Technology Fee.

Due to enrollment increases, UNCW forecasts that there will be sufficient student debt fees collected to retire the portion of the 2006A pool bonds associated with the Westside Expansion; therefore, a \$5 decrease is requested.

The proposed Indebtedness Fees, effective for Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
Appalachian State University	\$ –	\$579.00
East Carolina University	(50.00)	460.00
Elizabeth City State University	–	–
Fayetteville State University	–	335.00
North Carolina A&T State University	–	588.00
North Carolina Central University	100.00*	570.00
North Carolina State University	–	572.00
UNC Asheville	–	394.00
UNC-Chapel Hill	–	185.85
UNC Charlotte	50.00	735.00
UNC Greensboro	–	707.00
UNC Pembroke	–	247.00
UNC Wilmington	(5.00)	376.00
UNC School of the Arts	–	–
Western Carolina University	–	523.00
Winston-Salem State University	–	460.00

**NCCU's increase was previously approved by the Board and the General Assembly in 2016 as part of a two-year phase-in of the debt service fee for the new student center.*

Special Fees

Special Fees provide funds for specific needs that are not financed from other revenue sources. Except for the fees for administrative computing (charged to all students), special fees are charged *only* to students that participate in programs or activities financed from those fees. These are programs that have specialized instructional needs, e.g., programs in health affairs, law, business, engineering, and architecture. These needs are expensive and occur in curricula where students must obtain a “competitive edge” to acquire highly desirable jobs upon graduation. In addition to the special fees listed below, all UNC students are charged \$1.00 per year for the Association of Student Governments Fee.

The Special Fees, effective for Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
East Carolina University		
Music	\$ –	\$ 35.00
SCUBA (basic class to advanced classes)	–	250 to 500
Clinical Skills	–	95.00
Dental Materials Fee	–	75.00
Dental Instrument Lease Fee	–	3,525.00
Dental Student Organization	–	60.00
AHEC-Dental Student Housing	–	1,200.00
Dental Preclinical Educ. Materials (yr. 1)	<i>New</i>	225.00
Dental Preclinical Educ. Materials (yr. 2)	<i>New</i>	300.00
Nurse Midwifery Malpractice Insurance	–	725.00
College of Engineering & Tech. Science	<i>New</i>	300.00
Fayetteville State University		
Nursing Clinical	–	200.00
Student Teaching	–	200.00
Teacher Education Assessment	–	91.00
Social Work Field Experience	<i>New</i>	150.00
North Carolina A & T State University		
ELED 311 Reading Methods Exam	<i>New</i>	140.00
ELED 313/314 Reading Methods Exam	<i>New</i>	100.00
Horticulture Lab	<i>New</i>	35.00
Food & Nutritional Sciences 151 Lab	<i>New</i>	55.00
Food & Nutritional Sciences 442 Lab	<i>New</i>	19.00
Fashion Merchandising and Design Lab	<i>New</i>	14.00
North Carolina Central University		
ADA Dietetic Internship Program	–	425.50
Nursing Technology Support	–	120.00
Enrollment Fee	–	100.00
North Carolina State University		
Graduate Students	1.00	12.00
College of Engineering Program Enhancement	500.00	1,500.00
Professional Golf Management	–	700.00

APPENDIX O

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
UNC-Chapel Hill		
Administrative Computing (time-limited) *	\$ -	\$ 50.00
DDS/DH/MD Student Association	-	9.00
Dental Equipment – DDS	-	240.00
Dental Equipment – Dental Hygiene	-	85.00
Dental Materials – DDS	-	55.00
Dental Materials – Graduate	-	55.00
Dental Materials – Dental Assisting	-	23.00
Dental Materials – Dental Hygiene	-	30.00
DDS Yr. 1 Clinic Technology	-	300.00
DDS Yr. 2 Clinic Technology	-	600.00
DDS Yrs. 3 & 4 Clinic Technology	-	1,200.00
Dental Grad Clinic Technology	-	1,200.00
DH Yrs. 1 & 2 Clinic Technology	-	300.00
Field Training – Biostatistics	-	25.00
Field Training – HBHE Grad	-	600.00
Field Training – Health Policy & Admin. Grad (HPM)	-	450.00
Field Training – Health Policy & Admin. UG (HPM)	-	400.00
Field Training – MCH	-	450.00
Field Training – MPA	-	200.00
Field Training – Social Work	-	300.00
Field Training – PHNU	-	450.00
Field Training – NUTR Clinical Exp.	-	450.00
Field Training – NUTR National Issues	-	50.00
Instrument Management – DDS	-	2,500.00
Instrument Management – Dental Hygiene	-	1,000.00
Law School Practical Skills Enhancement	-	500.00
Law School Student Academic Program	-	600.00
Law Student Placement Services	-	100.00
Leadership Fee (MCH/PUBH)	-	158.00
Professional Training – HPM, MPH	-	550.00
Professional Training – HPM/MHA/MSPH (yr.1)	-	550.00
Professional Training – HPM/MHA/MSPH (yr.2)	-	1,000.00
Physician Assistant Program	-	500.00
MBA/MAC Career Management	-	600.00
MBA/MAC Program Quality	-	500.00
MBA/MAC Student Club	-	50.00
Nursing Clinical Compliance Fee	-	11.32
Nursing Practicum – Graduate	-	150.00
Nursing Practicum – Undergraduate	2.20	172.20

**Fee is set to expire after the 2016-17 year; UNC-CH is requesting an extension through 2017-18.*

APPENDIX O

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
UNC-Chapel Hill (continued)		
Pharmacy Clerkship	\$ –	\$ 200.00
Senior Class Enrichment	–	2.00
Registered Dietitian Training Fee	–	107.00
MD IPAD – School of Medicine	<i>New</i>	500.00
Nursing Healthcare Simulation Training	<i>New</i>	90.00
Biomedical Engineering Program Enhancement	<i>New</i>	500.00
UNC Charlotte		
Administrative Computing (time-limited)	(53.00)	–
College of Arts & Architecture Majors	–	250.00
College of Engineering	–	300.00
College of Computing & Informatics Majors	–	225.00
International Students	100.00	200.00
College of Health & Human Services Majors	<i>New</i>	250.00
UNC Greensboro		
Student Teaching	–	250.00
Open Water Diver Scuba	15.00	375.00
Advanced Open Water Diver Scuba	–	271.00
Exercise Physiology	–	25.00
MSN Education	–	1,330.00
MSN/DNP Adult Gerontological NP Program	–	2,440.00
MSN/DNP RN Anesthetist Program	–	200.00
MSN/DNP Program	–	1,400.00
RN to BSN	–	210.00
Traditional BSN Program	–	1,260.00
Nursing PhD Program	–	500.00
School of Music, Theatre & Dance Studio Usage	–	70.00
Studio Art Majors (undergraduate)	–	400.00
Art History Majors	–	100.00
Dance Students	<i>New</i>	150.00
Theatre Students	<i>New</i>	400.00
UNC Pembroke		
Administrative Computing (time-limited) *	5.00	85.00
UNC Wilmington		
Doctorate of Nursing Practice Residency	–	750.00
MS in Accountancy	<i>New</i>	150.00
Executive MBA	<i>New</i>	1,912.50
UNC School of the Arts		
Administrative Computing (time-limited) *	–	50.00
School of Dance – Injury Screening and Prevention	7.00	517.00

* Fee is set to expire after the 2016-17 year; UNCP and UNCSA are requesting an extension through 2017-18.

APPENDIX O

<i>Institution</i>	<i>Requested Change</i>	<i>Proposed 2017-18 Fee</i>
UNC School of the Arts (continued)		
School of Design and Production	\$ 19.00	\$ 669.00
School of Drama	17.00	452.00
School of Filmmaking	37.00	1,377.00
School of Music	7.00	569.00
Western Carolina University		
CFPA Studio and Equipment Usage	–	250.00
School of Engineering – Joint Program	–	150.00
Professional Education	–	72.00
Student Teaching	–	150.00
Study Abroad Fee	50.00	150.00
Athletics Training Program	–	400.00
Dietetics Program	–	250.00
Recreational Therapy Program	–	100.00
Emergency Medical Care Program	–	700.00
Environmental Health Program	–	100.00
Sustainability	–	10.00
Social Work Program	<i>New</i>	350.00
Honor College Program	<i>New</i>	15.00
NC School of Science and Mathematics		
Early Accelerator Courses * (7 th , 8 th , and 9 th grades)	–	1,495.00
Accelerator Courses * (10 th , 11 th , and 12 th grades)	–	1,925.00

** These fees are for non-credit high school courses (non-NCSSM students).*

Application Fees

Application fees are charged to individuals submitting applications for admission as students to the University to offset the cost of handling applications and to provide funds for recruiting students. Adjustments in fees are requested at six institutions.

The proposed Application Fees, effective for Fall Term 2017, are listed below.

<i>Institution</i>	<i>Requested Increase</i>	<i>Proposed 2017-18 Fee</i>
Appalachian State University	\$10.00	\$65.00
East Carolina University		
Undergraduate & Graduate	5.00	75.00
Medical	5.00	75.00
Dental	–	80.00
Elizabeth City State University	–	30.00
Fayetteville State University	–	40.00
North Carolina A&T State University		
Undergraduate	–	55.00
Graduate	–	60.00
North Carolina Central University		
Undergraduate	10.00	50.00
Graduate	10.00	50.00
Law	–	50.00
North Carolina State University		
Undergraduate	–	85.00
Graduate	–	85.00
International – Undergraduate	–	100.00
International – Graduate	–	95.00
Non-Degree Studies	–	35.00
UNC Asheville		
Undergraduate	–	75.00
Graduate	–	60.00
UNC-Chapel Hill		
Undergraduate	5.00	85.00
Graduate	2.50	87.50
Dentistry	–	84.00
Law	–	75.00
MAC	–	105.00
MBA	–	150.00
Medicine	–	68.00
PharmD	–	80.00
Public Health Epidemiology Certificate	–	45.00
Public Health Concepts Certificate	–	45.00
Public Health Leadership Certificate	–	45.00

APPENDIX O

<i>Institution</i>	<i>Requested Increase</i>	<i>Proposed 2017-18 Fee</i>
UNC-Chapel Hill (continued)		
Maternal & Child Health Certificate	\$ –	\$45.00
Health Policy & Management Community Preparedness & Disaster Management	–	75.00
SPH Global Health Certificate	–	77.00
Post Masters of Science in Nursing	–	75.00
UNC Charlotte		
Undergraduate	–	60.00
Graduate	–	75.00
International Undergraduate	–	65.00
International Graduate	–	75.00
UNC Greensboro		
Undergraduate	10.00	65.00
Graduate	–	65.00
UNC Pembroke		
Undergraduate & Graduate	–	45.00
International Undergraduate	–	45.00
International Graduate	–	60.00
UNC Wilmington		
Undergraduate	5.00	80.00
Graduate	15.00	75.00
UNC School of the Arts		
Undergraduate & Graduate	–	95.00
International Students	–	130.00
Western Carolina University		
Undergraduate & Graduate	–	65.00
International Intensive English Program	–	90.00
Winston-Salem State University		
Undergraduate & Graduate	–	50.00

The attached summary spreadsheets provide an overview of the tuition and fee increases for undergraduate resident and nonresident students effective for the 2017-18 academic year.

The University of North Carolina
Tuition and Fees Applicable to All Regular Full-Time
Undergraduate Resident Students by Carnegie Classification
Proposals for 2017-18

	2016-17 Approved Rates				Recommended 2017-18 Changes					
	Tuition	Mandatory Fees	Debt Service	Total Tuition & Fees	Tuition	Mandatory Fees	Debt Service	Total Increases	Proposed Tuition & Fees	% Incr.
NCSU	\$6,407.00	\$1,720.46	\$572.00	\$8,699.46	\$128.00	\$37.14	\$ 0.00	\$165.14	\$8,864.60	1.9%
UNC-CH	6,881.00	1,550.31	185.85	8,617.16	138.00	26.88	0.00	164.88	8,782.04	1.9%
ECU	4,365.00	1,963.00	510.00	6,838.00	87.00	98.00	(50.00)	135.00	6,973.00	2.0%
NCA&T	3,470.00	2,208.17	588.00	6,266.17	70.00	84.14	0.00	154.14	6,420.31	2.5%
UNCC	3,737.00	2,259.00	685.00	6,681.00	75.00	27.00	50.00	152.00	6,833.00	2.3%
UNCG	4,335.00	1,929.00	707.00	6,971.00	87.00	80.00	0.00	167.00	7,138.00	2.4%
ASU	4,159.00	2,254.00	579.00	6,992.00	83.00	84.00	0.00	167.00	7,159.00	2.4%
FSU	2,922.76	1,803.00	335.00	5,060.76	59.24	64.00	0.00	123.24	5,184.00	2.4%
NCCU	3,655.00	1,927.09	470.00	6,052.09	73.00	58.12	100.00	231.12	6,283.21	3.8%**
UNCP	3,531.00	2,038.17	247.00	5,816.17	71.00	68.52	0.00	139.52	5,955.69	2.4%
UNCW	4,355.50	2,124.16	381.00	6,860.66	87.50	57.58	(5.00)	140.08	7,000.74	2.0%
WCU	3,893.00	2,183.00	523.00	6,599.00	78.00	82.00	0.00	160.00	6,759.00	2.4%
WSSU	3,335.00	1,919.16	460.00	5,714.16	66.00	71.00	0.00	137.00	5,851.16	2.4%
UNCA	4,041.00	2,408.00	394.00	6,843.00	81.00	79.00	0.00	160.00	7,003.00	2.3%
ECSU	2,800.00	2,089.08	0.00	4,889.08	56.00	40.95	0.00	96.95	4,986.03	2.0%
UNCSA*	6,370.00	2,336.00	0.00	8,706.00	127.00	59.00	0.00	186.00	8,892.00	2.1%
Average	4,266.08	2,044.48	414.80	6,725.36	85.42	63.58	5.94	154.94	6,880.30	2.3%

* Does not include High School

**This is the final year of a two-year phase-in of the NCCU student center debt service fee approved by the Board and the General Assembly in 2016.

The University of North Carolina
Tuition and Fees Applicable to All Regular Full-Time
Undergraduate Nonresident Students by Carnegie Classification
Proposals for 2017-18

	2016-17 Approved Rates				Recommended 2017-18 Changes					
	Tuition	Mandatory Fees	Debt Service	Total Tuition & Fees	Tuition	Mandatory Fees	Debt Service	Total Increases	Proposed Tuition & Fees	% Incr.
NCSU	\$23,926.00	\$1,720.46	\$572.00	\$26,218.46	\$957.00	\$37.14	\$ 0.00	\$994.14	\$27,212.60	3.8%
UNC-CH	31,963.00	1,550.31	185.85	33,699.16	639.00	26.88	0.00	665.88	34,365.04	2.0%
ECU	20,323.00	1,963.00	510.00	22,796.00	406.00	98.00	(50.00)	454.00	23,250.00	2.0%
NCA&T	16,230.00	2,208.17	588.00	19,026.17	200.00	84.14	0.00	284.14	19,310.31	1.5%
UNCC	16,908.00	2,259.00	685.00	19,852.00	338.00	27.00	50.00	415.00	20,267.00	2.1%
UNCG	19,197.00	1,929.00	707.00	21,833.00	384.00	80.00	0.00	464.00	22,297.00	2.1%
ASU	18,675.00	2,254.00	579.00	21,508.00	374.00	84.00	0.00	458.00	21,966.00	2.1%
FSU	14,531.00	1,803.00	335.00	16,669.00	59.00	64.00	0.00	123.00	16,792.00	0.7%
NCCU	16,113.00	1,927.09	470.00	18,510.09	322.00	58.12	100.00	480.12	18,990.21	2.6%
UNCP	14,475.00	2,038.17	247.00	16,760.17	718.00	68.52	0.00	786.52	17,546.69	4.7%
UNCW	18,324.51	2,124.16	381.00	20,829.67	183.49	57.58	(5.00)	236.07	21,065.74	1.1%
WCU	14,286.00	2,183.00	523.00	16,992.00	78.00	82.00	0.00	160.00	17,152.00	0.9%
WSSU	13,446.00	1,919.16	460.00	15,825.16	202.00	71.00	0.00	273.00	16,098.16	1.7%
UNCA	20,436.00	2,408.00	394.00	23,238.00	409.00	79.00	0.00	488.00	23,726.00	2.1%
ECSU	15,771.18	2,089.08	0.00	17,860.26	228.82	40.95	0.00	269.77	18,130.03	1.5%
UNCSA*	21,840.00	2,336.00	0.00	24,176.00	400.00	59.00	0.00	459.00	24,635.00	1.9%
Average	18,527.79	2,044.48	414.80	20,987.07	368.64	63.58	5.94	438.17	21,425.24	2.1%

* Does not include High School

Authorization of Capital Improvements Projects

ISSUE OVERVIEW

Non-appropriated capital projects are financed by the University, and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings. Legislative approval is required for the issuance of debt; these “self-liquidating” capital projects are approved by the legislature after the passage of the Appropriations Act. Legislative approval is not required for non-appropriated capital projects that do not require debt issuance.

Project	Total (\$)	Cash/ GO Bond/ Other (\$)	Debt (\$)	Source of Funds
East Carolina University				
Dowdy-Ficklen Stadium Southside Renovation	55,000,000	-	55,000,000	Athletic Receipts
<i>ECU Subtotal</i>	<i>\$55,000,000</i>	<i>\$0</i>	<i>\$55,000,000</i>	
Elizabeth City State University				
Demolition of Hugh Cale and Doles Halls	611,294	-	611,294	Housing Receipts
Renovation of Bias Hall	4,522,272	-	4,522,272	Housing Receipts
Renovation of Butler Hall	3,790,242	-	3,790,242	Housing Receipts
Demolition of Complex A-G Buildings	576,192	-	576,192	Housing Receipts
Update Master Plan	500,000	-	500,000	Housing Receipts
<i>ECSU Subtotal</i>	<i>\$10,000,000</i>	<i>\$0</i>	<i>\$10,000,000</i>	
North Carolina Central University				
Baynes Residence Hall Renovations	12,207,319	5,665,198	6,542,121	Housing Receipts
<i>NCCU Subtotal</i>	<i>\$12,207,319</i>	<i>\$5,665,198</i>	<i>\$6,542,121</i>	
UNC Chapel Hill				
Indoor Practice Facility and Fetzer Field	55,000,000	25,000,000	30,000,000	Fundraising/Educational Foundation Bond
Media and Communication Studio (Athletics)	10,000,000	-	10,000,000	Athletic Receipts

APPENDIX P

Project	Total (\$)	Cash/ GO Bond/ Other (\$)	Debt (\$)	Source of Funds
UNC Chapel Hill continued				
DLAM Renovations (swing space for Berryhill Hall) & AAALAC Certification	22,340,000	450,000	21,890,000	F&A Receipts
Kenan Labs - Renovations to Labs 7A,7B,7C,8B, & 8C for Applied Physical	15,850,000	8,167,000	7,683,000	F&A, R&R, State Appropriation
Medical Education Building	90,600,000	68,000,000	22,600,000	Clinical Tax on UNC FP/F&A
<i>UNC-CH Subtotal</i>	<i>\$193,790,000</i>	<i>\$101,617,000</i>	<i>\$92,173,000</i>	
UNC Greensboro				
Spartan Village - Phase II	50,900,000	-	50,900,000	Housing and Dining Revenues
<i>UNCG Subtotal</i>	<i>\$50,900,000</i>	<i>\$0</i>	<i>\$50,900,000</i>	
Western Carolina University				
Parking Deck Facility	26,615,185	3,000,000	23,615,185	Parking Receipts
<i>WCU Subtotal</i>	<i>\$26,615,185</i>	<i>\$3,000,000</i>	<i>\$23,615,185</i>	
Grand Total	\$348,512,504	\$110,282,198	\$238,230,306	

ADDITIONAL DETAIL

East Carolina University

Project: Dowdy-Ficklen Stadium Southside Renovation

Total Cost: \$55,000,000

Description: The Southside Renovation Project replaces press and operations facilities which are almost 40 years old, adds premium seating, renovates the west end zone area to provide a field-level experience, creates a premium tailgating experience, adds an indoor hitting facility, and renovates two athletics buildings.

Funding: The funding source for this improvements project is athletic receipts generated by revenue from sale of premium seats. The project also has a philanthropic component some of which will provide a fiscal cushion in the event net premium seat revenue is insufficient to pay annual bond payments.

Elizabeth City State University

Project: Demolition of Hugh Cale and Doles Halls
 Total Cost: \$611,294
 Description: This project demolishes Hugh Cale Hall and Doles Hall, three-story residence halls, built in 1956.
 Funding: The funding source for this improvements project is housing receipts.

Project: Renovation of Bias Hall
 Total Cost: \$4,522,272
 Description: This project renovates Bias Hall, a three-story residence hall on the national historic register, built in 1938.
 Funding: The funding source for this improvements project is housing receipts.

Project: Renovation of Butler Hall
 Total Cost: \$3,790,242
 Description: This project renovates Butler Hall, built in 1926, a three-story residence hall with an addition constructed in 1994 doubling the original size.
 Funding: The funding source for this improvements project is housing receipts.

Project: Demolition of Complex A-G
 Total Cost: \$576,191
 Description: This project demolishes seven (7) buildings, Complex Unit A - Complex Unit G.
 Funding: The funding source for this improvements project is housing receipts.

Project: Update Master Plan
 Total Cost: \$500,000
 Description: This updates the university master plan, last updated in 2004.
 Funding: The funding source for this improvements project is housing receipts.

North Carolina Central University

Project: Baynes Residence Hall Renovations
 Total Cost: \$12,207,319
 Description: This project renovates Baynes Residence Hall, a 400-bed, nine-story residence hall, built in 1966.
 Funding: The funding source for this improvements project is housing receipts.

The University of North Carolina at Chapel Hill

Project: Indoor Practice Facility and Fetzer Field
 Total Cost: \$55,000,000
 Description: This project provides a new indoor practice and training facility to accommodate a new indoor full-sized artificial field to be used by multiple varsity athletic programs. In addition, there will be two new lighted outdoor fields, one natural turf and one artificial turf. The facility will also be available for scheduled use by University and community groups.
 Funding: The funding source for this improvements project is fundraising and educational foundation bond.

Project: Media and Communication Studio (Athletics)
 Total Cost: \$10,000,000
 Description: This project provides a broadcast center to produce a significant number of events on the ACC Network through broadcasts across all production levels: linear television, digital online, extra, and video boards.
 Funding: The funding source for this improvements project is athletic receipts.

Project: DLAM Renovations
 Total Cost: \$22,340,000
 Description: This project makes way for the new Connect NC 2015 bond-funded Medical Education Building, relocating the existing Berryhill Hall vivarium functions to various DLAM facilities on campus.
 Funding: The funding source for this improvements project is F&A receipts.

Project: Kenan Labs - Renovations to Labs
 Total Cost: \$15,850,000
 Description: This project renovates five laboratories for the department of Applied Physical Sciences (APS).
 Funding: The funding source for this improvements project is F&A receipts, R&R, and state appropriation.

Project: Medical Education Building
 Total Cost: \$90,600,000
 Description: As part of the Connect NC 2015 bond program, this project will construct a new Medical Education building to address deficiencies and replace Berryhill with a new facility, allowing the Medical Education program to compete with top medical schools across the country.
 Funding: The funding source for this improvements project is clinical tax on UNC Faculty Practice and F&A receipts.

The University of North Carolina at Greensboro

Project: Spartan Village - Phase II
Total Cost: \$50,900,000
Description: UNC Greensboro will acquire from the Capital Facilities Foundation, Inc. this 212,000 square-foot residence hall. It will provide 330 apartment style beds and 26,000 square feet of mixed use space focusing on student services. The project includes land acquisition and parking.
Funding: The funding source for this improvements project is housing and dining revenues.

Western Carolina University

Project: Parking Deck Facility
Total Cost: \$26,615,185
Description: The new parking structure consists of up to 1,200 spaces and will incorporate 30,000 additional square feet to house relocated parking administration and campus police functions.
Funding: The funding source for this improvements project is parking receipts.

APPENDIX P

2017		Credit Rating				2018	
	Current	Debt Capacity	Moody's	S&P	Fitch	Current	Debt Capacity
	Indebtedness					Indebtedness	
ASU	210,896,229	74,439,267	Aa3	-	-	199,736,014	84,307,258
ECU	343,010,047	277,403,330	Aa2	AA-	-	328,820,186	275,419,804
ECSU	26,445,000	(2,434,339)	Baa1	-	-	25,350,000	(955,168)
FSU	54,089,000	(7,422,373)	-	A-	A+	52,785,000	(5,418,374)
NCA&T	100,700,000	47,809,780	A1	-	A+	98,005,000	52,880,936
NCCU	76,127,000	13,903,118	A3	-	-	75,018,000	(28,416,850)
NCSU	448,105,000	430,736,461	Aa1	AA	-	433,595,000	462,338,534
UNCA	39,298,400	(6,504,130)	A1	-	-	36,918,100	(2,859,522)
UNC-CH	1,313,920,000	506,278,667	Aaa	AAA	AAA	1,284,125,000	508,980,846
UNCC	498,390,000	150,043,750	Aa3	A+	-	482,425,000	169,323,070
UNCG	283,891,000	148,539,238	Aa3	A+	-	272,371,000	166,978,122
UNCP	50,590,000	23,457,601	-	A-	-	48,210,000	27,022,362
UNCW	199,611,478	139,761,171	Aa3	-	-	192,168,886	152,633,726
UNCSA	4,806,000	29,764,625	-	-	-	4,498,000	30,625,755
WCU	117,350,000	62,485,094	Aa3		-	112,950,000	70,530,456
WSSU	78,660,000	4,134,827	A3	A-	-	76,060,000	(5,989,770)
Current Indebtedness		Principal Balance for Outstanding Debt as of 2017				Principal Balance for Outstanding Debt as of 2018	
Debt Capacity		Debt Capacity calculated for 2017				Debt Capacity calculated for 2018	

Consolidated Financial Report



**The University of North Carolina
Board of Governors**

March 2017

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Overview

The University of North Carolina (UNC) is a multi-campus university dedicated to serving the state and its people through world-class teaching, research and scholarship, and outreach and service. In 1971, the Higher Education Reorganization Act placed the 16 baccalaureate-granting institutions that comprise the University of North Carolina under one governing board. The Act emphasized basic objectives for the University: to foster the development of a well-planned and coordinated system of higher education, to improve the quality of education, to extend educational benefits beyond campus borders, and to encourage economic and effective use of the state's resources.

The following entities are included in this report:

UNC General Administration (UNC-GA)	UNC Charlotte (UNCC)
Appalachian State University (ASU)	UNC Greensboro (UNCG)
East Carolina University (ECU)	UNC Pembroke (UNCP)
Elizabeth City State University (ECSU)	UNC Wilmington (UNCW)
Fayetteville State University (FSU)	UNC School of the Arts (UNCSA)
North Carolina A&T State University (NCA&T)	Western Carolina University (WCU)
North Carolina Central University (NCCU)	Winston-Salem State University (WSSU)
North Carolina State University (NCSU)	NC School of Science and Mathematics (NCSSM)
UNC Asheville (UNCA)	UNC Hospitals at Chapel Hill (UNCH)
UNC Chapel Hill (UNC-CH)	

In its efforts to move forward with strategic planning, the University recognized the importance of establishing an overall mission, and defining the role each campus would play in fulfilling the mission. In 1992, the Board of Governors adopted a general mission statement, and after some modification, the official statement was given statutory status in 1995.

Mission Statement

The University of North Carolina is a public, multi-campus university dedicated to the service of North Carolina and its people. It encompasses the 17 diverse constituent institutions and other educational, research, and public service organizations. Each shares in the overall mission of the University. That mission is to discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission is accomplished through instruction, which communicates the knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship, and creative activities, which advance knowledge and enhance the educational process; and through public service, which contributes to the solution of societal problems and enriches the quality of life in the State. In the fulfillment of this mission, the University shall seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State.

Overview (cont.)

The Carnegie Classification has been used for the purpose of classifying the universities within this report as small, medium, and large.

Classification

The Carnegie Classification has been used for the purpose of classifying the universities within this report as small, medium, and large. The Carnegie Classification has been the leading framework for recognizing and describing institutional diversity in U.S. higher education for the past four and a half decades. Starting in 1970, the Carnegie Commission on Higher Education developed a classification of colleges and universities to support its program of research and policy analysis. More information on this classification is available at <http://carnegieclassifications.iu.edu>. Based on these classifications, the universities have been classified as follows:

<u>Large</u>	<u>Medium</u>	<u>Small</u>
Appalachian State University	Fayetteville State University	UNC School of the Arts
East Carolina University	North Carolina A&T State University	Elizabeth City State University
North Carolina State University	North Carolina Central University	
UNC Chapel Hill	UNC Asheville	
UNC Charlotte	UNC Pembroke	
UNC Greensboro	Western Carolina University	
UNC Wilmington	Winston-Salem State University	

UNC General Administration, NC School of Science and Mathematics, and UNC Hospitals at Chapel Hill are not included in the above classifications as they are not considered institutions of higher education.

Therefore, these three institutions are not included when data is presented as Large, Medium, and Small.

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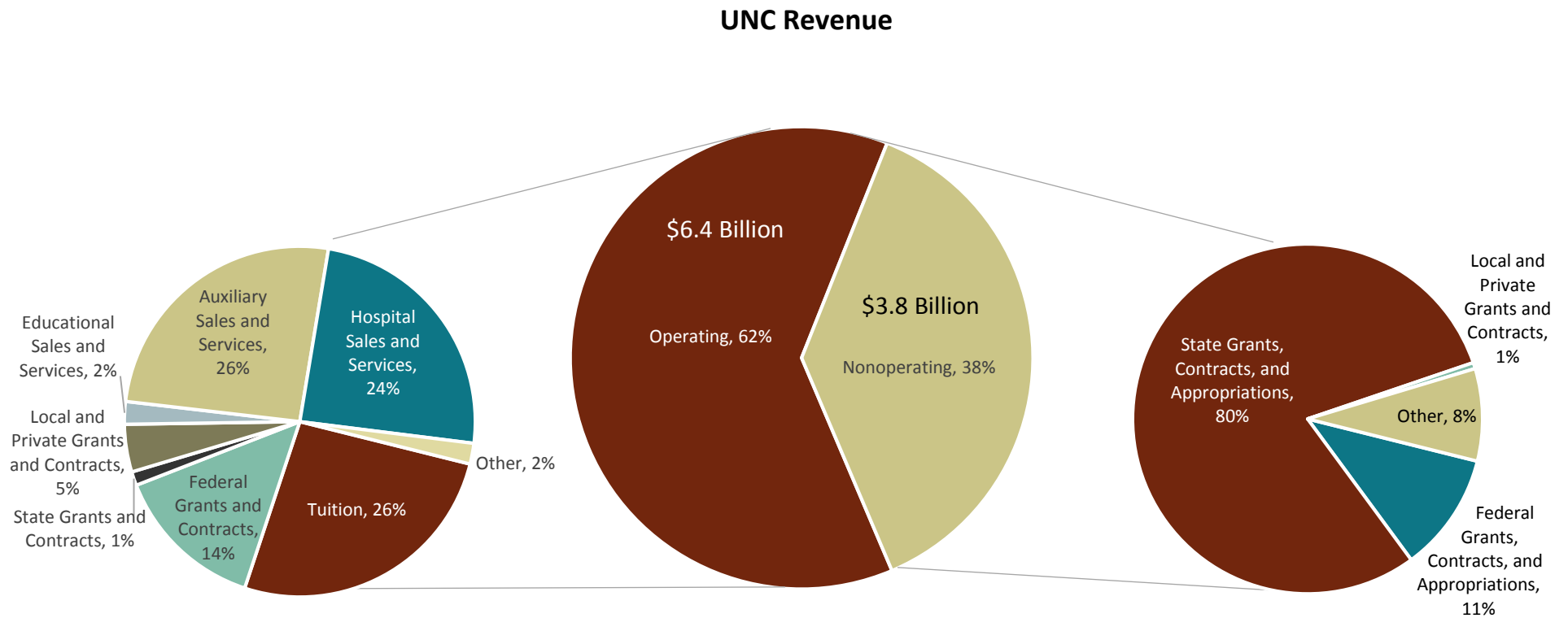


Selected Disclosures

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Revenues

A summary of all revenues is shown below:



Revenues (cont.)

A summary of operating revenues for the year ended June 30, 2016 is presented as follows:

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill	UNC Charlotte
Student Tuition and Fees										
Gross Revenues	\$ 140,313,638	\$ 230,201,491	\$ 10,021,459	\$ 27,610,341	\$ 92,553,110	\$ 55,837,681	\$ 384,353,238	\$ 30,620,047	\$ 508,802,016	\$ 244,739,330
Internal Sales Eliminations	—	—	—	—	—	—	(786,343)	—	—	(104,557)
Less Allowance for Uncollectibles	(294,627)	(141,815)	(159,838)	(16,966)	(418,864)	(585,981)	121,029	(66,304)	(106,893)	(1,311,164)
Less Scholarship Discounts	(25,199,804)	(40,652,698)	(3,744,224)	(9,747,176)	(31,610,226)	(15,039,378)	(92,512,605)	(6,825,183)	(102,886,769)	(46,610,234)
Net Revenues	114,819,207	189,406,978	6,117,397	17,846,199	60,524,020	40,212,322	291,175,319	23,728,560	405,808,354	196,713,375
% of Total UNC Campuses and GA	6.9%	11.4%	0.4%	1.1%	3.6%	2.4%	17.4%	1.4%	24.3%	11.8%
Patient Service Revenue										
Gross Revenues	—	444,815,206	—	—	—	—	—	—	946,774,173	—
Less Allowance for Uncollectibles	—	(20,235,421)	—	—	—	—	—	—	5,414,091	—
Less Indigent Care and Contractual Adjustments	—	(220,056,480)	—	—	—	—	—	—	(535,376,673)	—
Net Revenues	—	204,523,305	—	—	—	—	—	—	416,811,591	—
% of Total UNC Campuses and GA		32.9%							67.1%	
Sales and Services										
Gross Revenues	108,098,592	108,351,729	8,759,614	14,628,518	38,514,723	34,478,903	326,253,538	15,797,414	608,125,613	118,081,802
Internal Sales Eliminations	(17,826,866)	(6,059,803)	(330,678)	(121,295)	(1,748,385)	(2,178,999)	(67,501,870)	(581,654)	(180,162,619)	(26,922,768)
Less Allowance for Uncollectibles	(202,243)	(4,141)	(207,617)	(18,585)	(193,094)	—	(67,822)	—	—	(243,931)
Less Scholarship Discounts	(9,310,883)	(9,620,376)	(3,059,594)	(4,583,961)	(8,556,389)	(7,086,308)	(20,236,097)	(2,859,605)	(11,950,376)	(12,474,572)
Net Revenues	80,758,600	92,667,409	5,161,725	9,904,677	28,016,855	25,213,596	238,447,749	12,356,155	416,012,618	78,440,531
% of Total UNC Campuses and GA	6.9%	7.9%	0.4%	0.8%	2.4%	2.1%	20.3%	1.1%	35.4%	6.7%
Other Revenue										
Gross Revenues	9,052,126	43,303,348	572,503	213,767	32,056,022	9,103,494	312,605,841	5,340,045	848,579,273	44,249,732
Internal Sales Eliminations	—	—	—	—	—	—	(5,898,208)	—	—	—
Less Allowance for Uncollectibles	—	—	—	—	—	—	21,762	—	—	—
Net Revenues	9,052,126	43,303,348	572,503	213,767	32,056,022	9,103,494	306,729,395	5,340,045	848,579,273	44,249,732
% of Total UNC Campuses and GA	0.7%	3.2%	0.0%	0.0%	2.4%	0.7%	23.0%	0.4%	63.6%	3.3%
Total Net Operating Revenues	\$ 204,629,933	\$ 529,901,040	\$ 11,851,625	\$ 27,964,643	\$ 120,596,897	\$ 74,529,412	\$ 836,352,463	\$ 41,424,760	\$ 2,087,211,836	\$ 319,403,638
% of Total UNC Campuses and GA	4.3%	11.0%	0.2%	0.6%	2.5%	1.6%	17.4%	0.9%	43.5%	6.7%

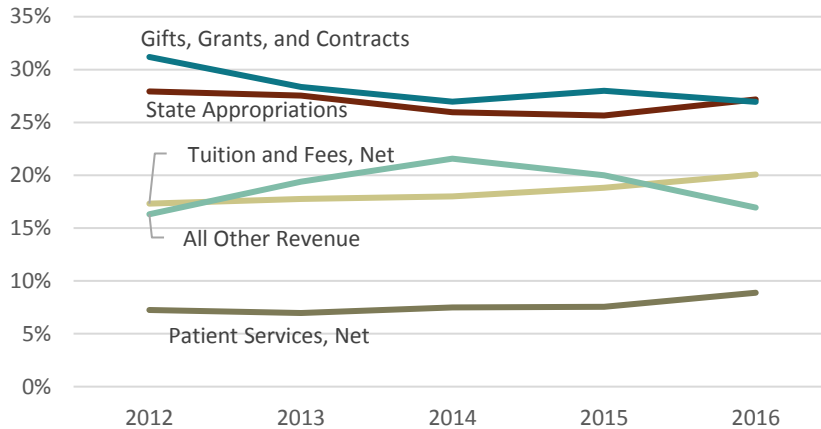
Revenues (cont.)

	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total	UNC Hospitals at Chapel Hill
Student Tuition and Fees										
Gross Revenues	\$ —	\$ 140,006,294	\$ 34,272,291	\$ 19,232,781	\$ 122,874,993	\$ 73,011,221	\$ 32,404,816	\$ 129,683	\$ 2,146,984,430	\$ —
Internal Sales Eliminations	—	—	—	—	—	(3,338)	—	—	(894,238)	—
Less Allowance for Uncollectibles	—	(500,995)	(280,249)	(5,426)	43,808	(433,040)	(319,572)	—	(4,476,897)	—
Less Scholarship Discounts	—	(39,915,187)	(9,932,749)	(4,773,311)	(16,826,391)	(16,751,599)	(9,971,044)	—	(472,998,578)	—
Net Revenues	—	99,590,112	24,059,293	14,454,044	106,092,410	55,823,244	22,114,200	129,683	1,668,614,717	—
% of Total UNC Campuses and GA		6.0%	1.4%	0.9%	6.4%	3.3%	1.3%	0.0%	100.0%	
Patient Service Revenue										
Gross Revenues	—	—	—	—	—	—	—	—	1,391,589,379	3,572,518,612
Less Allowance for Uncollectibles	—	—	—	—	—	—	—	—	(14,821,330)	(102,440,605)
Less Indigent Care and Contractual Adjustments	—	—	—	—	—	—	—	—	(755,433,153)	(1,918,751,740)
Net Revenues	—	—	—	—	—	—	—	—	621,334,896	1,551,326,267
% of Total UNC Campuses and GA									100.0%	
Sales and Services										
Gross Revenues	6,239,584	68,256,306	25,161,291	9,388,288	63,642,124	54,972,795	25,398,400	948,336	1,635,097,570	—
Internal Sales Eliminations	—	(3,524,126)	(1,144,579)	(49,041)	(9,959,840)	(6,595,857)	(1,550,600)	(91,781)	(326,350,761)	—
Less Allowance for Uncollectibles	—	(220,053)	(92,980)	—	(82,011)	(200,387)	(320,892)	—	(1,853,756)	—
Less Scholarship Discounts	—	(13,107,599)	(6,039,110)	(1,754,891)	(5,022,702)	(8,319,551)	(7,046,728)	—	(131,028,742)	—
Net Revenues	6,239,584	51,404,528	17,884,622	7,584,356	48,577,571	39,857,000	16,480,180	856,555	1,175,864,311	—
% of Total UNC Campuses and GA	0.5%	4.4%	1.5%	0.6%	4.1%	3.4%	1.4%	0.1%	100.0%	
Other Revenue										
Gross Revenues	12,549	9,904,108	1,100,755	661,820	14,435,491	6,501,176	2,211,682	59,942	1,339,963,674	39,079,109
Internal Sales Eliminations	—	—	—	—	—	—	—	—	(5,898,208)	—
Less Allowance for Uncollectibles	—	—	—	—	—	—	—	—	21,762	—
Net Revenues	12,549	9,904,108	1,100,755	661,820	14,435,491	6,501,176	2,211,682	59,942	1,334,087,228	39,079,109
% of Total UNC Campuses and GA	0.0%	0.7%	0.1%	0.1%	1.1%	0.5%	0.2%	0.0%	100.0%	
Total Net Operating Revenues	\$ 6,252,133	\$ 160,898,748	\$ 43,044,670	\$ 22,700,220	\$ 169,105,472	\$ 102,181,420	\$ 40,806,062	\$ 1,046,180	\$ 4,799,901,152	\$ 1,590,405,376
% of Total UNC Campuses and GA	0.1%	3.4%	0.9%	0.5%	3.5%	2.1%	0.8%	0.0%	100.0%	

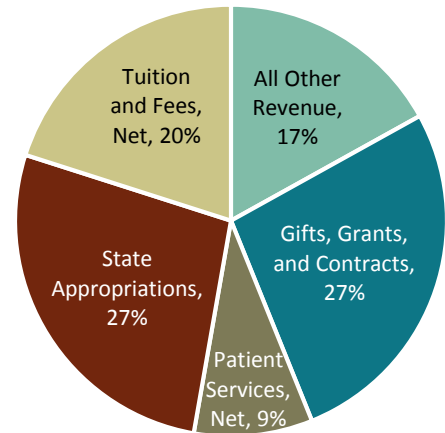
Revenues (cont.)

A summary of all revenues by Carnegie class is shown below:

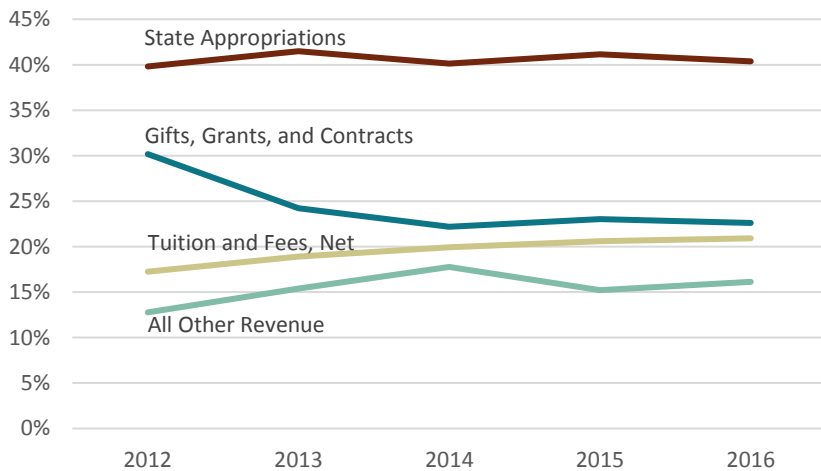
Large Universities



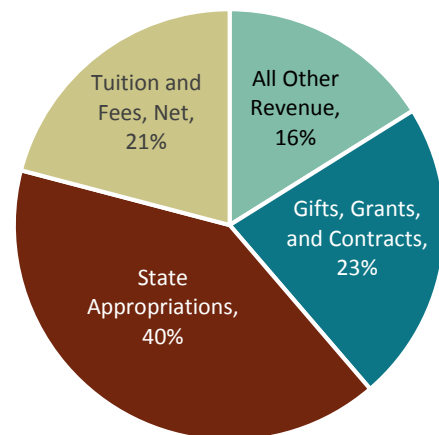
Large Universities 2016



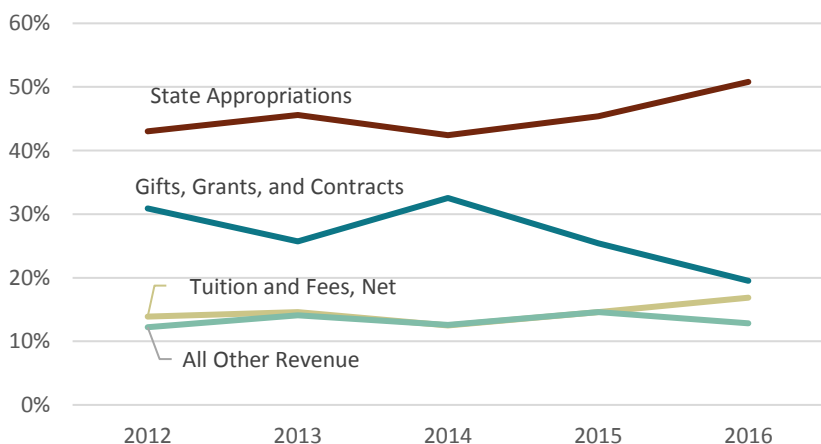
Medium Universities



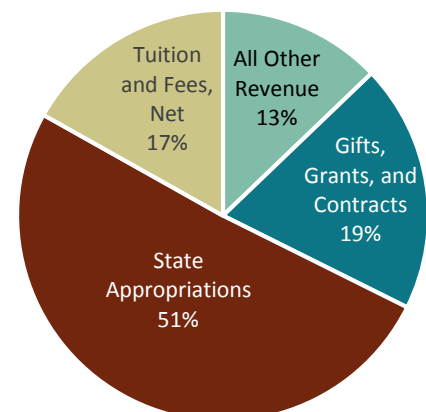
Medium Universities 2016



Small Universities



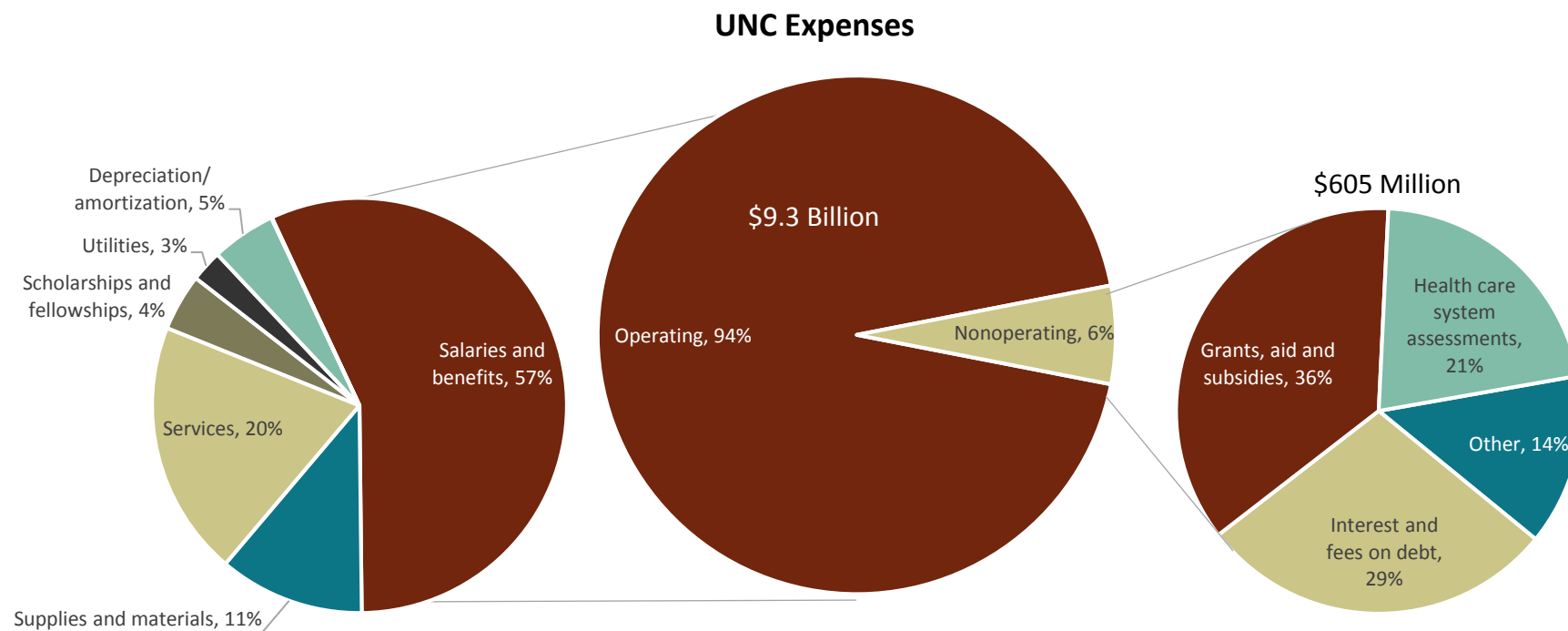
Small Universities 2016



Graphs above do not include UNC General Administration, NC School of Science and Mathematics, and UNC Hospitals at Chapel Hill.

Expenses

A summary of all expenses is shown below:



Expenses (cont.)

The Universities' operating expenses for the year ended June 30, 2016 are presented as follows:

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill	UNC Charlotte
Total Operating Expenses										
Salaries and Benefits	\$ 230,614,262	\$ 542,167,942	\$ 30,724,623	\$ 65,398,959	\$ 153,424,134	\$ 114,336,857	\$ 857,250,567	\$ 57,345,833	\$ 1,544,503,269	\$ 332,636,338
Supplies and Materials	40,915,818	86,829,639	2,911,736	5,589,849	16,337,949	12,017,709	127,911,047	5,279,264	216,969,075	42,394,277
Services	43,290,980	107,731,303	11,963,124	16,698,135	46,412,883	29,211,640	251,765,902	14,652,434	722,677,144	86,457,532
Scholarships and Fellowships	22,292,193	42,954,517	5,387,093	10,829,358	18,853,181	12,927,598	43,820,372	5,797,385	122,815,639	41,879,088
Utilities	10,482,173	17,455,581	2,379,553	2,795,098	5,367,842	4,807,433	32,028,497	2,596,968	83,711,025	12,278,758
Depreciation/ Amortization	20,397,827	28,203,747	4,388,342	5,536,486	11,414,876	8,957,952	88,721,461	5,208,173	136,572,434	27,998,426
Total	\$ 367,993,253	\$ 825,342,729	\$ 57,754,471	\$106,847,885	\$251,810,865	\$ 182,259,189	\$1,401,497,846	\$ 90,880,057	\$ 2,827,248,586	\$ 543,644,419
% of Total UNC Campuses and GA	4.7%	10.4%	0.7%	1.4%	3.2%	2.3%	17.7%	1.2%	35.7%	6.9%
Instruction	\$ 124,923,307	\$ 264,623,499	\$ 12,637,007	\$ 36,705,963	\$ 72,991,346	\$ 73,793,632	\$ 428,658,109	\$ 29,537,240	\$ 728,242,788	\$ 210,921,777
Research	2,367,183	17,735,098	1,026,636	815,858	27,891,533	5,802,011	268,414,931	1,978,445	546,227,643	20,999,883
Public Service	7,806,959	22,957,920	790,913	3,464,507	7,122,454	734,468	119,310,242	1,643,052	164,234,875	2,849,034
Academic Support	40,078,105	34,513,497	2,911,971	8,323,581	27,795,783	17,466,608	83,680,803	4,573,576	137,656,549	48,632,755
Student Services	9,217,673	11,973,070	6,140,509	4,101,059	6,963,321	5,250,401	28,499,998	5,495,447	39,162,807	19,131,013
Institutional Support	25,489,209	56,170,626	8,085,455	12,482,667	24,744,739	13,933,298	93,768,547	11,164,696	139,742,863	34,481,089
Operations and Maintenance of Plant	20,635,372	61,676,247	7,879,394	9,263,292	18,952,744	14,163,281	78,987,653	9,101,363	152,396,045	46,805,576
Student Financial Aid	18,852,491	42,954,517	5,387,093	10,829,358	10,989,817	14,369,918	46,034,446	5,806,898	122,815,639	41,879,088
Auxiliary Enterprises	87,156,513	284,534,508	8,507,151	15,325,114	42,944,252	27,787,620	165,421,656	16,371,167	660,196,943	89,945,778
Independent Operations	11,068,614	—	—	—	—	—	—	—	—	—
Depreciation/ Amortization	20,397,827	28,203,747	4,388,342	5,536,486	11,414,876	8,957,952	88,721,461	5,208,173	136,572,434	27,998,426
Hospital Services	—	—	—	—	—	—	—	—	—	—
Total	\$ 367,993,253	\$ 825,342,729	\$ 57,754,471	\$106,847,885	\$ 251,810,865	\$ 182,259,189	\$1,401,497,846	\$ 90,880,057	\$ 2,827,248,586	\$ 543,644,419
% of Total UNC Campuses and GA	4.7%	10.4%	0.7%	1.4%	3.2%	2.3%	17.7%	1.2%	35.7%	6.9%

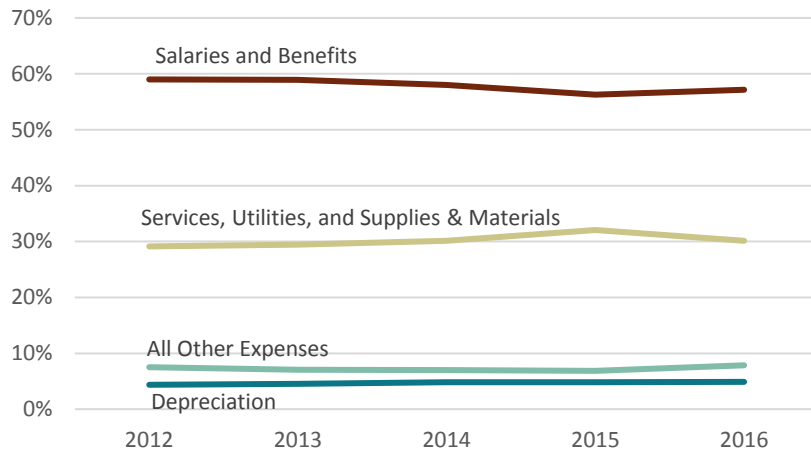
Expenses (cont.)

	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total	UNC Hospitals at Chapel Hill
Total Operating Expenses										
Salaries and Benefits	\$ 37,891,794	\$ 226,075,680	\$ 67,842,477	\$ 36,746,301	\$ 168,749,290	\$ 122,735,721	\$ 78,862,711	\$ 17,064,601	\$ 4,684,371,359	\$ 581,746,106
Supplies and Materials	2,828,419	19,567,230	11,329,863	3,878,125	23,337,460	18,525,078	7,185,846	1,152,922	644,961,306	409,273,628
Services	27,678,845	56,816,731	20,944,015	10,287,760	56,723,131	40,461,654	24,463,698	2,876,510	1,571,113,421	280,152,429
Scholarships and Fellowships	—	29,343,741	9,982,591	1,393,012	18,811,150	11,655,858	12,025,876	—	410,768,652	—
Utilities	1,860,047	7,969,781	3,299,938	2,075,989	8,103,167	4,911,587	2,969,025	1,006,485	206,098,947	22,165,190
Depreciation/ Amortization	3,125,151	19,757,741	5,682,880	3,996,419	11,903,744	8,712,921	7,660,896	1,238,515	399,477,991	66,806,623
Total	\$ 73,384,256	\$ 359,530,904	\$ 119,081,764	\$ 58,377,606	\$ 287,627,942	\$ 207,002,819	\$ 133,168,052	\$ 23,339,033	\$ 7,916,791,676	\$ 1,360,143,976
% of Total UNC Campuses and GA	0.9%	4.5%	1.5%	0.7%	3.6%	2.6%	1.7%	0.3%	100.0%	
Instruction	\$ 2,740,033	\$ 129,699,223	\$ 34,952,259	\$ 16,712,875	\$ 110,161,601	\$ 68,659,343	\$ 46,525,127	\$ 10,206,634	\$ 2,402,691,763	\$ —
Research	143,034	17,023,820	373,675	—	9,738,719	1,481,696	935,210	—	922,955,375	—
Public Service	33,250,087	9,200,182	1,971,785	775,833	4,154,794	7,634,019	1,579,161	—	389,480,285	—
Academic Support	—	40,650,156	11,873,131	5,622,060	20,774,338	15,791,521	7,731,324	341,956	508,417,714	—
Student Services	19,611	18,886,280	6,971,313	1,648,017	11,854,934	6,736,834	4,993,516	5,568,397	192,614,200	—
Institutional Support	33,853,033	21,529,162	13,329,765	11,069,638	25,703,062	22,503,335	15,908,280	3,285,006	567,244,470	—
Operations and Maintenance of Plant	253,307	30,986,707	11,633,790	8,695,412	25,622,478	17,400,382	13,106,527	2,698,525	530,258,095	—
Student Financial Aid	—	27,721,020	9,938,092	1,393,012	17,462,443	11,775,505	10,311,691	—	398,521,028	—
Auxiliary Enterprises	—	44,076,613	22,355,074	8,464,340	50,251,829	42,305,370	24,416,320	—	1,590,060,248	—
Independent Operations	—	—	—	—	—	4,001,893	—	—	15,070,507	—
Depreciation/ Amortization	3,125,151	19,757,741	5,682,880	3,996,419	11,903,744	8,712,921	7,660,896	1,238,515	399,477,991	66,806,623
Hospital Services	—	—	—	—	—	—	—	—	—	1,293,337,353
Total	\$ 73,384,256	\$ 359,530,904	\$ 119,081,764	\$ 58,377,606	\$ 287,627,942	\$ 207,002,819	\$ 133,168,052	\$ 23,339,033	\$ 7,916,791,676	\$ 1,360,143,976
% of Total UNC Campuses and GA	0.9%	4.5%	1.5%	0.7%	3.6%	2.6%	1.7%	0.3%	100.0%	

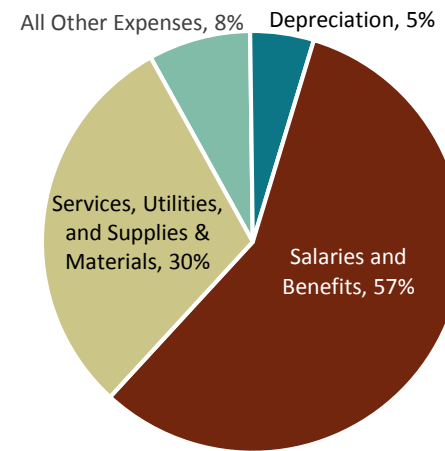
Expenses (cont.)

A summary of all expenses by Carnegie class is shown below:

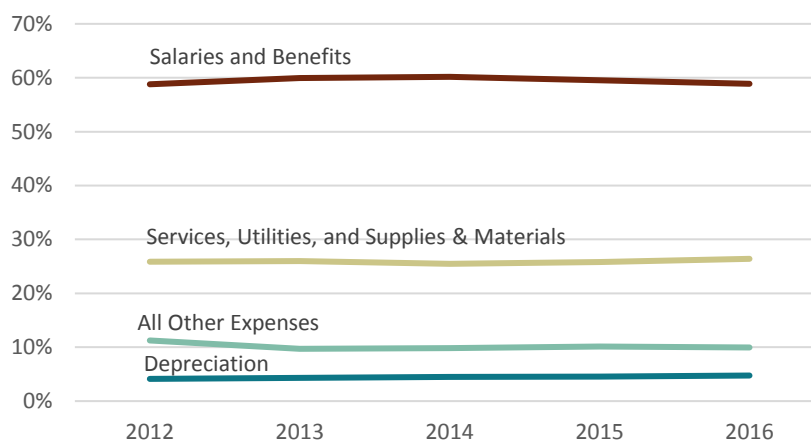
Large Universities



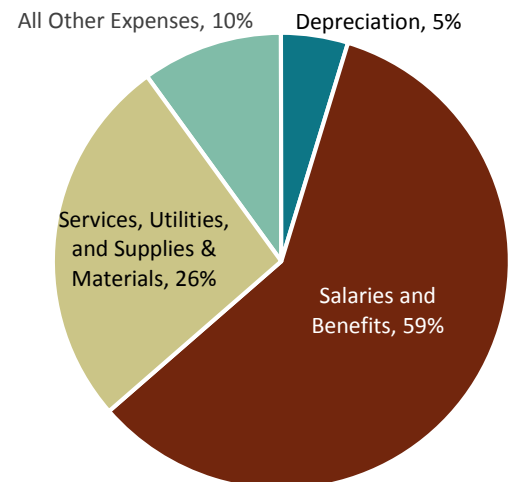
Large Universities 2016



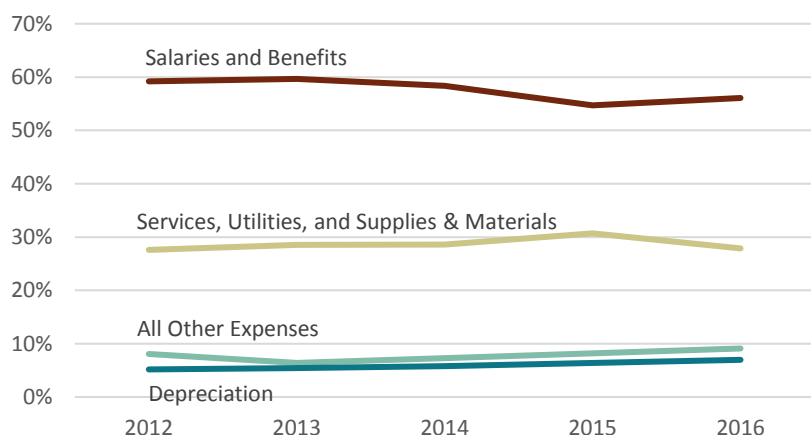
Medium Universities



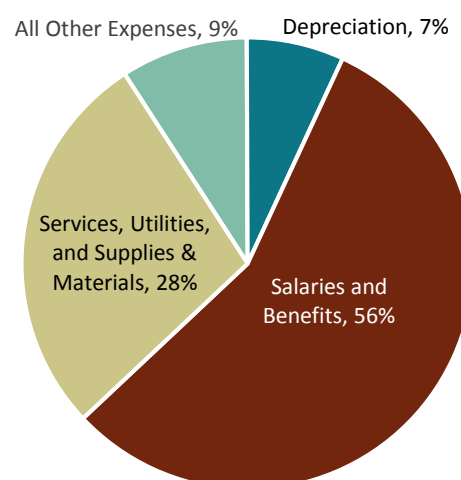
Medium Universities 2016



Small Universities



Small Universities 2016



Graphs above do not include UNC General Administration, NC School of Science and Mathematics, and UNC Hospitals at Chapel Hill.

Long-Term Liabilities

Changes in long-term liabilities for UNC including UNC General Administration, NC School of Science and Mathematics, and UNC Hospitals at Chapel Hill for the year ended June 30, 2016 is presented as follows:

	Balance June 30, 2015 (As Restated)	Additions	Reductions	Balance June 30, 2016	Current Portion
Revenue Bonds Payable	\$ 3,736,431,210	\$ 1,067,745,000	\$ 875,014,575	\$ 3,929,161,635	\$ 191,530,313
Special Indebtedness	189,840,000	38,375,000	42,250,000	185,965,000	4,310,000
Limited Obligation Bonds Payable	20,250,000	—	310,000	19,940,000	385,000
Certificates of Participation	23,470,000	—	1,875,000	21,595,000	909,000
Plus: Unamortized Premium	117,389,646	37,926,202	18,321,652	136,994,196	—
Less: Unamortized Discount	(11,530,960)	(2,283,280)	(3,008,053)	(10,806,187)	—
Total Revenue Bonds and Special Indebtedness, Net	4,075,849,896	1,141,762,922	934,763,174	4,282,849,644	197,134,313
Net Pension Liability	173,441,047	359,182,647	—	532,623,694	—
Notes Payable	250,473,432	39,363,760	24,499,955	265,337,237	47,249,657
Arbitrage Rebate Payable	425,034	—	425,034	—	—
Capital Leases Payable	72,579,759	1,422,555	8,649,125	65,353,189	7,724,773
Bond Anticipation Notes	5,000,000	2,500,000	5,000,000	2,500,000	—
Compensated Absences	384,066,345	281,236,713	313,377,864	351,925,194	35,825,808
Annuity and Life Income Payable	19,383,712	4,185,353	1,273,767	22,295,298	2,792,703
Other Long-Term License Payable	9,246,360	2,156,906	4,417,513	6,985,753	4,417,513
Pollution Remediation Payable	32,500	—	22,500	10,000	—
Total Long-Term Liabilities	\$ 4,990,498,085	\$ 1,831,810,856	\$ 1,292,428,932	\$ 5,529,880,009	\$ 295,144,767

Long-Term Liabilities (cont.)

The annual requirements for UNC including UNC General Administration, NC School of Science and Mathematics, and UNC Hospitals at Chapel Hill to pay principal and interest on the long-term obligations at June 30, 2016 is presented as follows:

Annual Requirements

Fiscal Year	Revenue Bonds Payable			Special Indebtedness	
	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2017	\$ 121,825,894	\$ 137,491,894	\$ 16,036,525	\$ 4,310,000	\$ 8,198,647
2018	142,410,358	134,232,817	12,951,349	4,755,000	7,917,232
2019	313,356,569	130,042,972	14,133,508	5,605,000	7,739,456
2020	164,553,787	125,048,178	8,604,574	6,150,000	7,543,305
2021	152,108,941	120,759,580	6,593,678	6,530,000	7,315,393
2022-2026	720,878,199	535,109,998	17,939,172	38,425,000	31,952,974
2027-2031	794,367,887	403,762,368	2,939,475	48,130,000	22,509,862
2032-2036	894,825,000	234,991,434	216,154	53,770,000	11,240,178
2037-2041	438,455,000	83,152,373	—	18,290,000	1,325,150
2042-2046	186,380,000	13,604,953	—	—	—
Total Requirements	\$ 3,929,161,635	\$ 1,918,196,567	\$ 79,414,435	\$ 185,965,000	\$ 105,742,197

Annual Requirements

Fiscal Year	Certificates of Participation		Limited Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 909,000	\$ 877,187	\$ 385,000	\$ 924,244	\$ 47,249,657	\$ 7,527,236
2018	938,000	843,281	430,000	912,694	19,405,968	7,193,127
2019	972,000	807,714	440,000	899,794	29,144,271	6,574,256
2020	1,012,000	770,224	455,000	885,494	15,747,547	6,056,366
2021	1,051,000	730,790	470,000	870,706	15,846,254	5,568,834
2022-2026	5,549,000	3,000,413	2,630,000	4,073,450	100,451,467	13,980,986
2027-2031	6,144,000	1,853,885	3,245,000	3,460,038	35,535,089	2,400,709
2032-2036	4,195,000	633,669	4,125,000	2,578,750	1,956,984	59,811
2037-2041	825,000	25,438	5,270,000	1,438,750	—	—
2042-2046	—	—	2,490,000	188,250	—	—
Total Requirements	\$ 21,595,000	\$ 9,542,601	\$ 19,940,000	\$ 16,232,170	\$ 265,337,237	\$ 49,361,325

General Fund, Institutional Trust Fund, and Other Sources and Uses of Funds

Each UNC institution is comprised of multiple legally-separate entities, each with their own sources of funds. A summary of a standard UNC institution is shown below, including the primary sources and uses of funds:



General Fund: Sources and Uses of Funds

The following is a summary of the UNC General Fund actual expenditures and revenues (including aid to private institutions) for fiscal years 2011-12 to 2015-16.

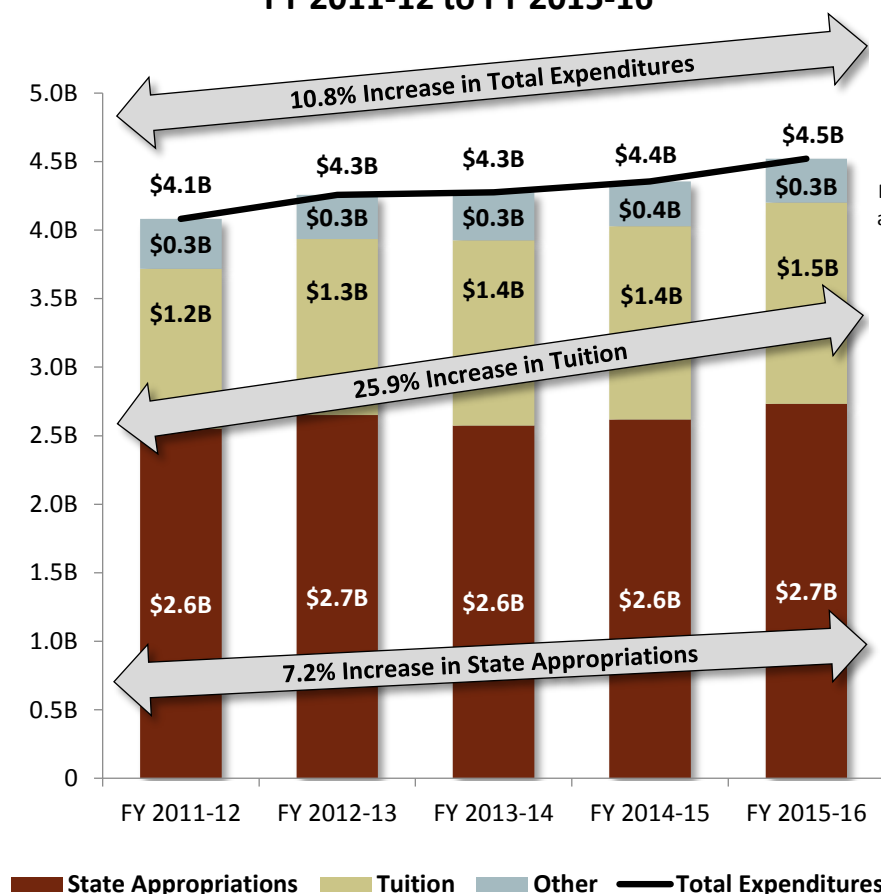
Expenditures	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Five-Year Change	
Personnel	\$2,679,566,032	\$2,788,314,092	\$2,827,568,756	\$2,878,848,515	\$2,959,873,235	\$280,307,203	10%
General Operating	574,124,010	581,437,448	576,275,258	598,163,144	592,442,478	18,318,468	3%
Equip. and Capital	174,642,202	165,343,696	158,167,458	163,840,301	161,046,035	(13,596,167)	-8%
Miscellaneous	35,420,876	33,358,658	31,759,525	30,383,909	36,030,330	609,454	2%
Education Awards	479,455,559	530,359,819	533,816,319	545,435,067	451,404,900	(28,050,659)	-6%
Intragov. Transfers	87,455,775	87,124,554	88,060,326	87,851,395	219,754,338	132,298,563	151%
Carry Forward	51,172,141	70,895,964	59,499,252	50,447,507	100,987,491	49,815,350	97%
Total Expenditures	\$4,081,836,595	\$4,256,834,231	\$4,275,146,894	\$4,354,969,838	\$4,521,538,807	\$439,702,212	11%

Revenues

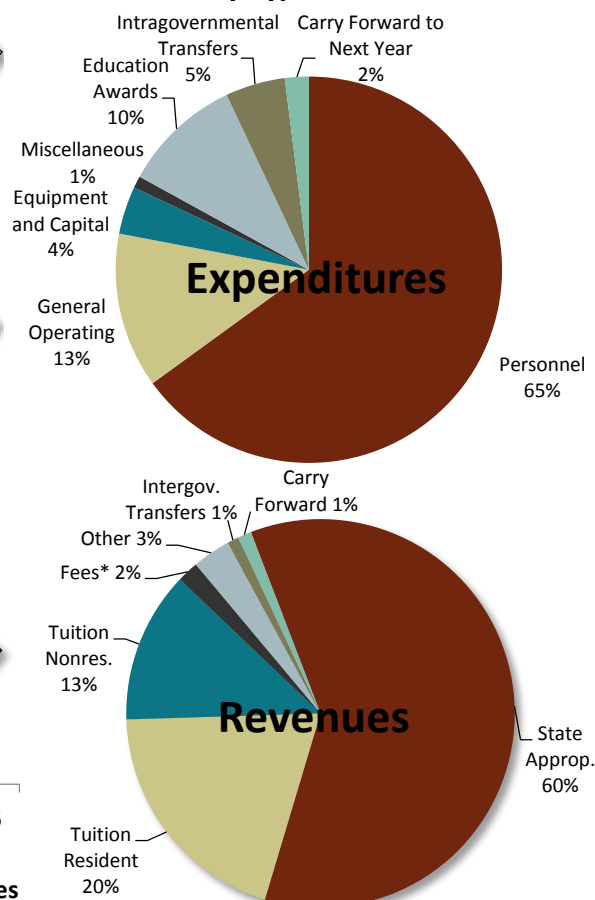
State Appropriation	\$2,550,935,536	\$2,651,847,350	\$2,572,757,241	\$2,617,666,491	\$2,733,406,486	\$182,470,950	7%
Tuition Resident	723,722,839	798,514,731	851,395,677	854,626,001	899,087,745	175,364,906	24%
Tuition Nonresident	443,385,376	483,899,478	502,235,373	557,499,918	570,260,049	126,874,673	29%
Fees*	130,525,470	41,948,877	58,922,032	70,656,325	80,818,344	(49,707,126)	-38%
Other	130,222,820	177,161,233	144,522,315	147,638,307	143,467,783	13,244,963	10%
Intragov. Transfers	97,020,325	52,772,550	71,807,700	43,889,208	42,778,877	(54,241,448)	-56%
Carry Forward	6,024,229	50,690,012	73,506,556	62,993,588	51,719,523	45,695,294	759%
Total Revenues	\$4,081,836,595	\$4,256,834,231	\$4,275,146,894	\$4,354,969,838	\$4,521,538,807	\$439,702,212	11%

* S.L. 2012-142, Section 9.9 permitted all student fees to be budgeted in Institutional Trust Funds, rather than the General Fund.

General Fund Expenditures and Revenues FY 2011-12 to FY 2015-16

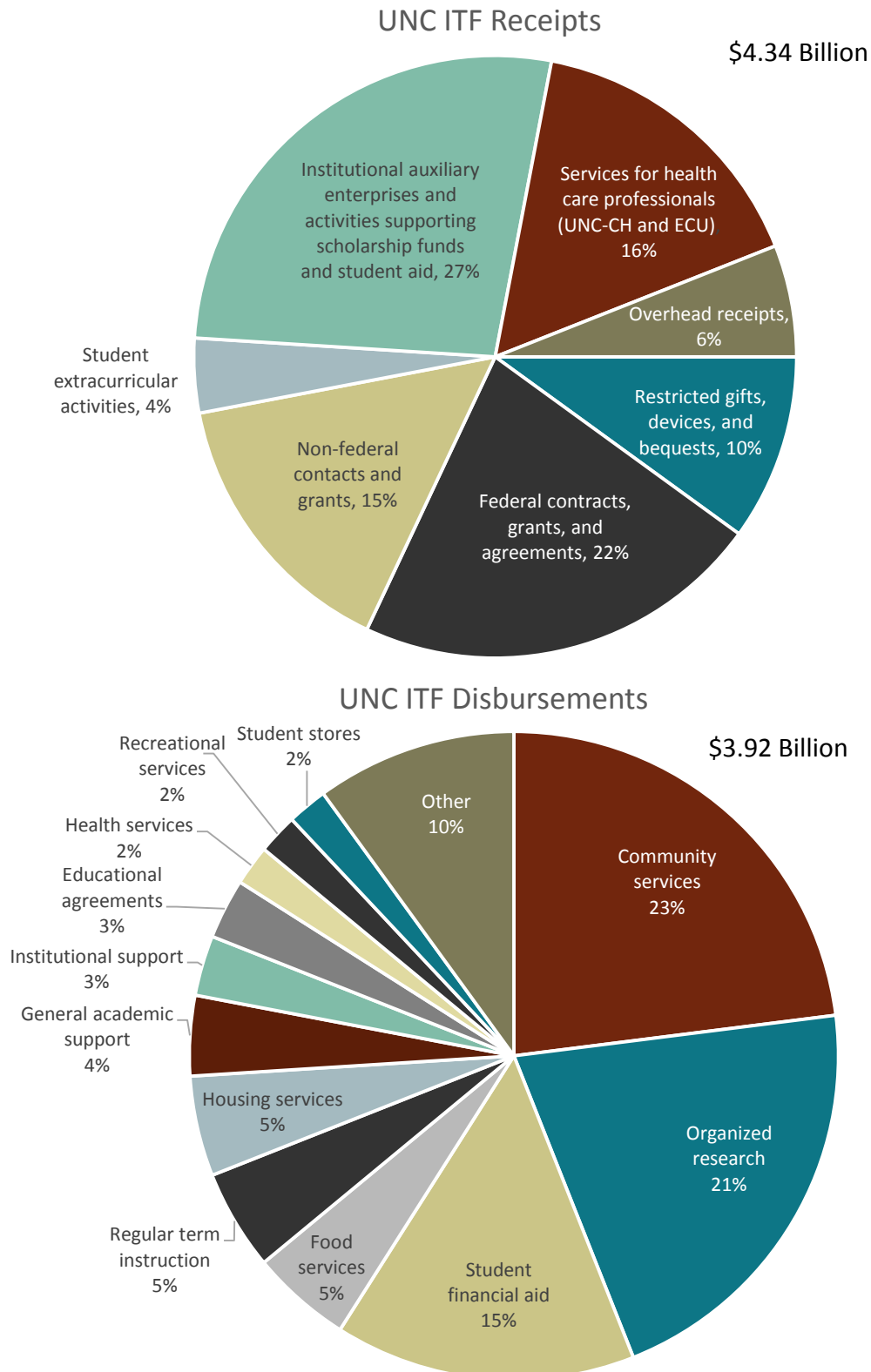


General Fund Expenditures and Revenues by Type FY 2015-16



Trust Fund: Sources and Uses of Funds

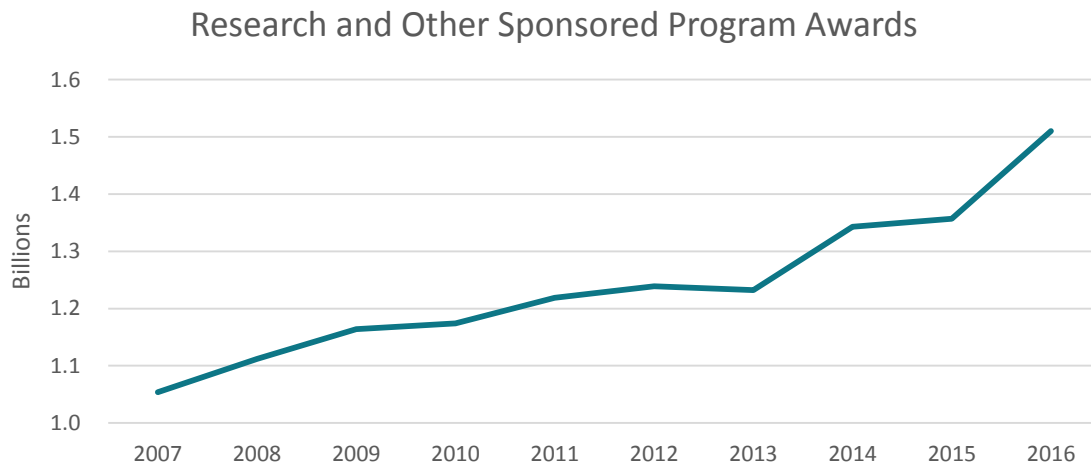
Institutional trust funds (see General Statute §116-36.1) sources and uses are as follows:



UNC Hospitals at Chapel Hill is not reflected in the above graphs.

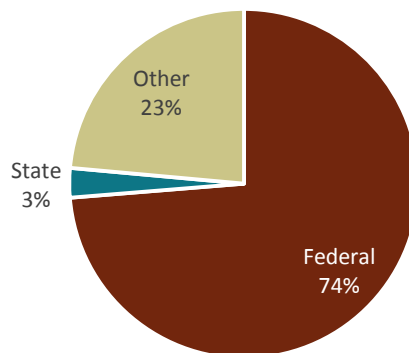
F&A Receipts and Expenditures

Facilities and Administrative (F&A) receipts are the overhead receipts reported in institutional trust funds. Research and other sponsored program awards to the 16 UNC campuses and the NC School of Science and Mathematics totaled nearly \$1.51 billion for FY 2015-16.



In 2015-16, UNC earned a total of \$243.9 million in facilities and administrative receipts.

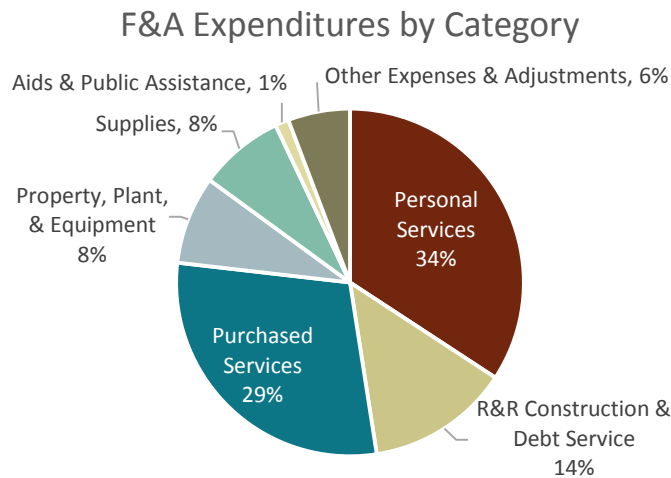
F&A Receipts by Source



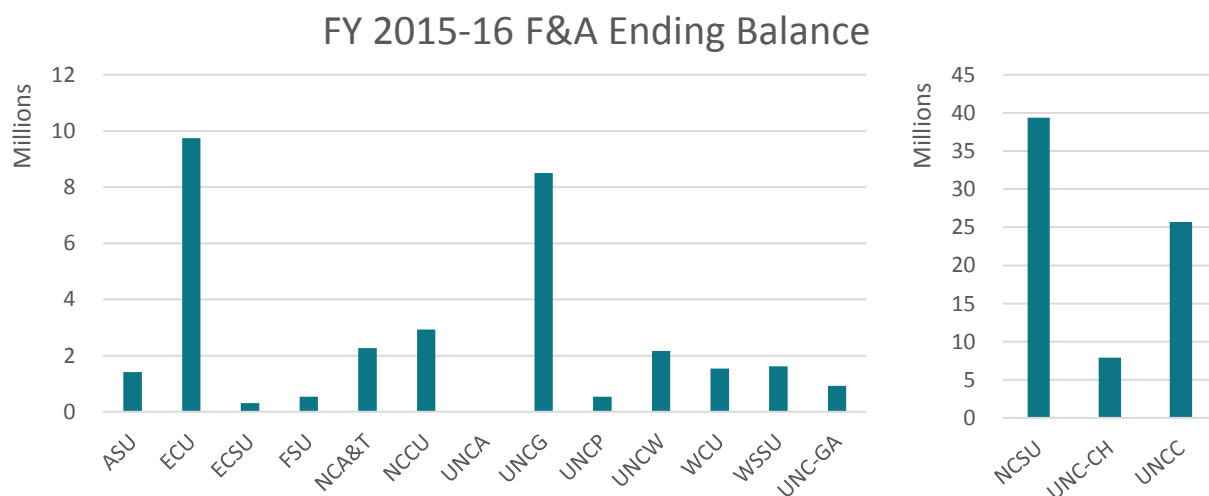
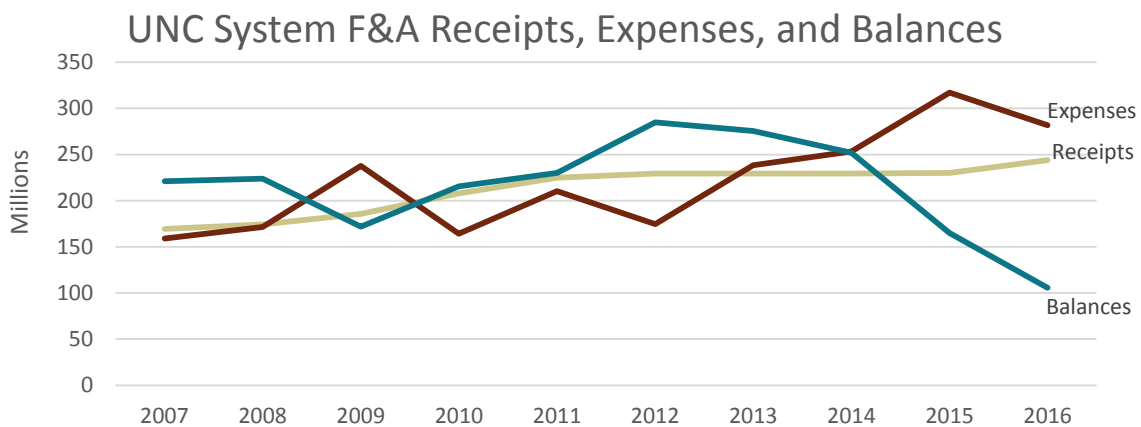
Consistent with their research missions, the two major research universities, North Carolina State University (20.2%) and UNC-Chapel Hill (68.3%), accounted for 88.5 percent of the University-wide total.

F&A Receipts and Expenditures (cont.)

In 2015-16, UNC expended a total of \$281.8 million of these facilities and administrative receipts.

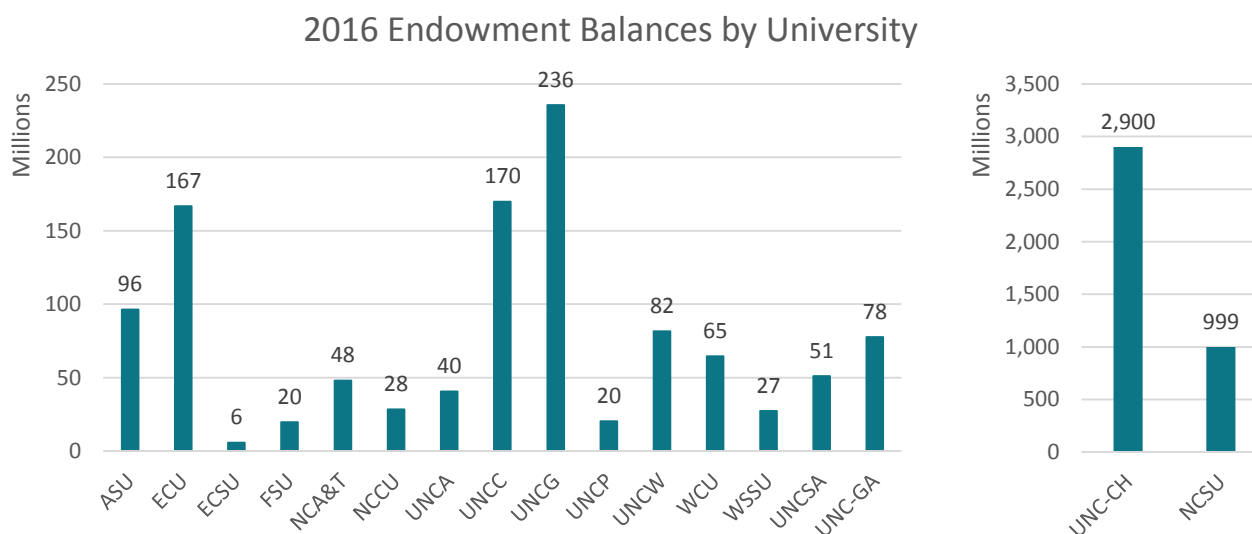
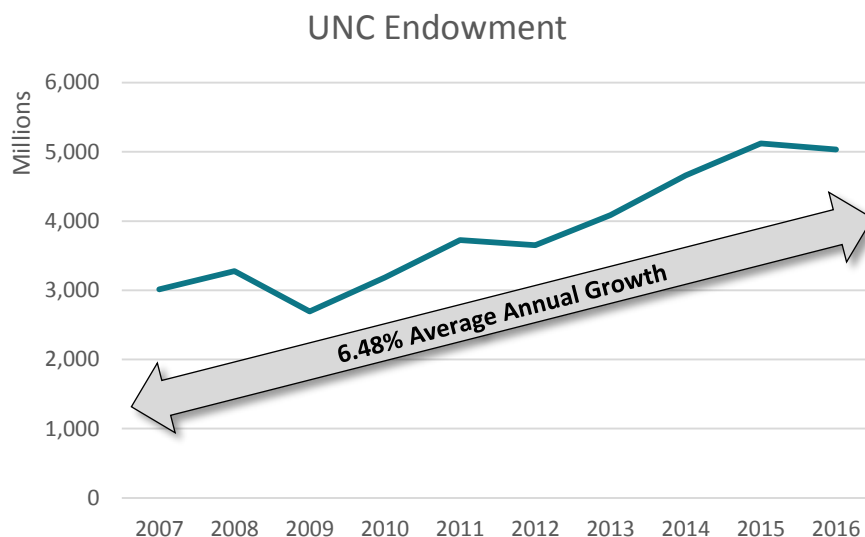


F&A receipts have steadily increased over the last ten years. F&A receipts on hand as of June 30, 2016 have decreased in recent years.



UNC Endowment Funds

Endowment funds may be accounted for in both Institutional Trust Funds or Foundations and Associated Entities based on the nature of the gift and the institutional control over the foundation. Endowment funds within UNC have increased 67.12% in the last 10 years.



NC School of Science and Mathematics and UNC Hospitals at Chapel Hill are excluded from the above graphs as they do not submit IPEDS data.



**Consolidated and Side-By-Side Financial Statements
with Reconciliation**

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,252,005,688	\$ 190,080,877
Restricted cash and cash equivalents	626,650,226	1,724,444
Short-term investments	708,033,939	—
Restricted short-term investments	148,358,145	—
Receivables, net	519,841,509	246,727,237
Due from State of NC component units	29,432,977	150,374,185
Due from University component units	253,524	—
Due from primary government	8,298,542	6,601,832
Estimated third party settlements	—	11,378,212
Notes receivable, net	18,041,599	9,144,479
Inventories	58,906,150	45,913,341
Prepaid items	13,030,705	16,494,171
Other assets	11,089,943	—
<i>Total Current Assets</i>	<u>3,393,942,947</u>	<u>678,438,778</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	726,437,142	124,726,053
Receivables, Net	37,839,310	863,268
Endowment investments	2,695,315,427	—
Restricted investments	1,404,874,872	123,316,350
Other investments	149,300,743	—
Investments designated for capital projects	—	358,417,708
Investment in joint venture	12,886,423	—
Cash surrender value of life insurance policies	58,761	—
Investments in Affiliates	—	11,106,486
Due from State of NC component units	—	2,568,240
Restricted due from primary government	334,009	—
Advanced deposits with LITF	—	6,285,896
Start-up cost, net	—	390,423
Notes receivable, net	89,964,105	41,886,337
Prepaid items	1,867,696	—
Capital assets, nondepreciable	848,181,010	75,132,956
Capital assets, depreciable	10,400,152,904	691,200,479
<i>Total Noncurrent Assets</i>	<u>16,367,212,402</u>	<u>1,435,894,196</u>
Total Assets	<u>19,761,155,349</u>	<u>2,114,332,974</u>
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	164,459,509	19,422,898
Deferred loss on refunding	49,579,249	8,993,613
Deferred outflows related to pensions	159,345,968	53,503,421
Total Deferred Outflows of Resources	<u>373,384,726</u>	<u>81,919,932</u>

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	309,025,506	88,758,504
Accrued salaries and benefits	—	48,058,048
Estimated third party settlements	—	80,382,478
Due to State of NC component units	23,277,102	57,738,483
Due to primary government	7,917,440	12,830,277
Due to patients or third parties	—	15,734,652
Obligations under reverse repurchase agreements	15,255,000	—
Short-term debt	73,100,000	—
Interest payable	40,423,237	969,789
Deposits payable	9,539,421	—
Funds held for others	70,325,012	—
Unearned revenue	168,808,698	—
Long-term liabilities - current portion	261,229,436	33,915,331
<i>Total Current Liabilities</i>	<u>978,900,852</u>	<u>338,387,562</u>
Noncurrent Liabilities:		
Accounts payable and accrued liabilities	3,332,333	—
Estimated third party settlements	—	81,089,108
Hedging derivatives liability	164,459,509	19,422,898
Unearned revenue	75,436,487	—
Deposits payable	3,711,692	—
Funds held for others	58,683,349	—
Funds held in trust for pool participants	1,450,419,055	—
U.S. government grants refundable	79,831,311	—
Long-term liabilities - noncurrent portion	4,824,020,563	410,714,679
<i>Total Noncurrent Liabilities</i>	<u>6,659,894,299</u>	<u>511,226,685</u>
Total Liabilities	<u>7,638,795,151</u>	<u>849,614,247</u>
Deferred Inflows of Resources		
Deferred gain on refunding	167,549	—
Deferred inflows related to pensions	97,847,265	34,922,046
Deferred revenue, split interest trust agreements	161,046	—
Other deferred inflows	989,752	—
Total Deferred Inflows of Resources	<u>99,165,612</u>	<u>34,922,046</u>

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Net Position		
Net investment in capital assets	7,142,960,717	574,580,319
Nonexpendable:		
Scholarships and fellowships	379,354,269	—
Research	23,478,564	—
Endowed professorships	644,803,443	—
Departmental uses	216,630,242	—
Loans	39,604,476	—
Art	1,521,282	—
Other	71,676,489	—
Expendable:		
Scholarships and fellowships	344,818,517	—
Research	35,715,761	—
Endowed professorships	571,605,406	—
Departmental uses	535,226,743	—
Loans	3,700,883	—
Capital projects	364,038,623	—
Debt service	131,363,519	—
Art	772,522	—
Other	77,700,868	—
Restricted for specific programs	1,006,818	—
Operations and maintenance	1,872,433	—
Maintenance reserve fund	—	248,042,403
Liability Insurance Trust Fund	—	6,285,896
Trust fund donations	—	414,024
Unrestricted net position	1,808,727,737	482,393,971
Total Net Position	\$ 12,396,579,312	\$ 1,311,716,613

The University of North Carolina

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Operating Revenues		
Student tuition & fees, net	\$ 1,668,862,276	\$ —
Patient services, net	621,334,896	1,551,326,267
Federal appropriations	21,801,135	—
Federal grants and contracts	891,626,614	—
State and local grants and contracts	84,722,178	—
Nongovernmental grants and contracts	274,489,652	—
Sales and services, net	1,175,329,158	—
Interest earnings on loans	2,200,746	—
Other operating revenues, net	56,657,403	39,079,109
<i>Total Operating Revenues</i>	<u>4,797,024,058</u>	<u>1,590,405,376</u>
Operating Expenses		
Salaries and benefits	4,684,337,713	581,746,106
Supplies and materials	644,961,306	64,389,701
Medical and surgical supplies	—	344,883,927
Services	1,570,310,383	275,804,098
Scholarships and fellowships	411,073,132	—
Medical malpractice cost	—	4,348,331
Utilities	206,098,947	22,165,190
Depreciation/ amortization	399,477,991	66,806,623
<i>Total Operating Expenses</i>	<u>7,916,259,472</u>	<u>1,360,143,976</u>
Operating Loss	<u>(3,119,235,414)</u>	<u>230,261,400</u>
Nonoperating Revenues/ (Expenses)		
State appropriations	2,733,406,486	—
Noncapital grants - student financial aid	436,577,650	—
Noncapital grants	180,743,005	—
Noncapital gifts, net	266,804,444	1,080,719
Interest and fees on debt	(164,561,036)	(8,520,576)
Investment loss	(56,490,599)	(6,175,873)
Grants, aid and subsidies	(218,023,163)	—
Federal interest subsidy on debt	7,573,222	722,533
Loss on disposal of capital assets	—	(91,319)
Other nonoperating revenues	28,990,231	19,491
Other nonoperating expenses	(19,994,532)	—
Grant to Union Square Campus, Inc.	(1,000,000)	—
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>3,194,025,708</u>	<u>(12,965,025)</u>
Income/(Loss) Before Transfers and Other Items	<u>74,790,294</u>	<u>217,296,375</u>
Capital appropriations	53,362,709	—
Capital grants	19,792,208	—
Capital gifts	24,512,686	—
Additions to endowments	39,278,368	—
Health care system assessments	—	(129,713,445)
Special item	1,234,725	—
Change in Net Position	<u>212,970,990</u>	<u>87,582,930</u>
Net position - July 1, as restated	<u>12,183,608,322</u>	<u>1,224,133,683</u>
Net Position - June 30	<u>\$ 12,396,579,312</u>	<u>\$ 1,311,716,613</u>

The University of North Carolina

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Cash Flows From Operating Activities		
Received from customers	\$ 4,902,477,253	\$ 1,628,912,780
Payments to employees and fringe benefits	(4,826,219,923)	(669,137,575)
Payments to vendors and suppliers	(2,564,534,358)	(646,947,817)
Payments for scholarships and fellowships	(410,871,800)	—
Loans issued	(14,181,593)	—
Collection of loans	14,811,653	—
Interest earned on loans	2,731,222	—
Student deposits received	6,910,143	—
Student deposits returned	(6,414,844)	—
Payments for medical malpractice	—	(82,801)
Other receipts	27,012,604	46,508,419
Other payments	(58,754,575)	—
Net Cash Provided (Used) by Operating Activities	(2,927,034,218)	359,253,006
Cash Flows From Noncapital Financing Activities		
State appropriations	2,733,406,486	—
Noncapital grants - student financial aid	436,922,704	—
Noncapital grants	229,544,325	—
Noncapital gifts	276,153,285	1,080,719
Additions to endowments	46,480,367	—
William D. Ford Direct Lending receipts	1,195,632,888	—
William D. Ford Direct Lending disbursements	(1,201,005,801)	—
Related activity agency receipts	1,503,760,876	—
Related activity agency disbursements	(1,297,476,009)	—
External participation in investment fund receipts	26,098,700	—
External participation in investment fund disbursements	(16,204,870)	—
Proceeds from Hofmann Forest timber deed	76,976,007	—
Grants, aid, and subsidies	(274,581,502)	—
Health care system assessments	—	(129,713,445)
Principal paid on revenue bonds	—	(1,224,000)
Interest and fees paid on revenue bonds	—	(358,747)
Receipts from UNCHCS for School of Medicine	50,128,276	—
Other receipts	7,930,453	—
Other payments	(1,210,774)	—
Grant to Union Square Campus, Inc.	(1,000,000)	—
Net Cash Provided (Used) by Noncapital Financing Activities	3,791,555,411	(130,215,473)
Cash Flows from Capital Financing and Related Financing Activities		
Proceeds from capital debt	1,092,567,068	—
Capital appropriations	50,580,588	—
Capital grants	23,223,204	—
Capital gifts	7,483,251	—
Proceeds from sale of capital assets	2,956,440	10,070,438
Acquisition and construction of capital assets	(524,945,619)	(60,543,190)
Principal paid on capital debt and leases	(844,557,982)	(15,140,915)
Interest and fees paid on capital debt and leases	(165,395,749)	(7,740,184)
Federal interest subsidy on debt received	7,576,817	722,533
Other receipts	401,535	—
Other payments	(1,133,188)	—
Net Cash Used by Capital Financing and Related Financing Activities	(351,243,635)	(72,631,318)

The University of North Carolina

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	3,403,830,143	—
Investment income	91,471,166	3,478,402
Investment in joint ventures	(3,986,840)	—
Purchase of investments and related fees	(3,462,655,289)	—
Change in obligations under reverse repurchase agreements	2,879,000	—
Investments in and loans to affiliated enterprises	—	(10,842,714)
Net Cash Provided (Used) by Investing Activities	31,538,180	(7,364,312)
Net Increase in Cash and Cash Equivalents	544,815,738	149,041,903
Cash and cash equivalents - July 1	2,060,277,318	167,489,471
Cash and Cash Equivalents - June 30	\$ 2,605,093,056	\$ 316,531,374

The University of North Carolina

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ (3,116,890,524)	\$ 230,261,400
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:		
Depreciation/ amortization expense	399,477,991	66,806,623
Allowance, write-offs, and amortizations	11,703,527	—
Miscellaneous pension adjustments	(73,599)	50,029
Pension expense	40,648,162	13,837,446
Nonoperating other income	1,355,448	—
Nonoperating other expenses	577,155	—
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables, net	29,060,857	(29,584,304)
Due from primary government	9,468,660	(1,387,345)
Due from University component units	472,266	—
Due from State of NC component units	613,403	(35,629,925)
Estimated third party settlements	—	99,498,171
Student loan principal repayments	243,163	—
Student loans issued	(227,390)	—
Inventories	(4,601,497)	(9,628,818)
Notes receivable, net	(3,612,411)	—
Prepaid items	(8,509,103)	45,649,626
Other assets	(6,831,814)	—
Advanced deposits with Liability Insurance Trust Fund	—	4,265,530
Accounts payable and accrued liabilities	(132,779,794)	16,970,840
Accrued salaries and benefits	—	(17,903,188)
Due to primary government	(3,503,200)	4,812,073
Due to State of NC component units	(236,411)	7,303,451
Due to Federal agencies	(487)	—
Due to patients and third parties	—	6,592,632
Funds held for others	444,310	—
Unearned revenue	38,347,086	—
Deferred outflows for contributions subsequent to the measurement date	(147,465,896)	(46,286,571)
Government grants refundable	(168,869)	—
Compensated absences	(35,766,487)	3,625,336
Deposits payable	1,221,236	—
Net Cash Provided (Used) by Operating Activities	\$ (2,927,034,218)	\$ 359,253,006
Reconciliation of Cash and Cash Equivalents		
Current Assets:		
Cash and cash equivalents	\$ 1,252,005,688	\$ 190,080,877
Restricted cash and cash equivalents	626,650,226	1,724,444
Noncurrent Assets:		
Restricted cash and cash equivalents	726,437,142	124,726,053
Total Cash and Cash Equivalents – June 30	\$ 2,605,093,056	\$ 316,531,374

The University of North Carolina

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Campuses and General Administration	UNC Hospitals at Chapel Hill
Noncash Investing, Capital, and Financing Activities		
Assets acquired through the assumption of a liability	\$ 18,887,995	\$ 1,269,735
Assets acquired through the assumption of a capital lease	603,788	—
Assets acquired through a gift	19,900,054	—
Assets acquired through a service contract	1,416,649	—
Change in fair value of investments	(149,430,042)	(8,533,984)
Reinvested distributions	2,031,236	—
Loss on investment in joint ventures	(3,245,859)	—
Loss on disposal of capital assets	(21,010,230)	(91,319)
Funds used to payoff notes payable	9,446,803	—
Bond issuance cost withheld	(2,550,726)	—
Funds escrowed to defease debt	228,952,105	—
Amortization of bond premiums/ discounts and deferred loss on refunding	(4,969,996)	—
Increase in receivables related to nonoperating income	2,706,305	—
Decrease in receivables related to nonoperating income	(1,658,869)	—
Increase in receivables related to the sale of capital assets	—	18,850,510
Payments made on behalf of the University	(7,033,752)	—
Amortization of other deferred inflow	(49,695)	—

The University of North Carolina

Statement of Net Position

June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Assets									
Current Assets:									
Cash and cash equivalents	\$ 72,261,141	\$ 226,647,830	\$ 8,764,775	\$ 10,251,489	\$ 54,239,486	\$ 23,922,587	\$ 209,752,180	\$ 18,675,668	\$ 37,135,456
Restricted cash and cash equivalents	6,057,862	41,642,320	3,423,564	6,385,729	16,983,220	7,801,053	101,792,199	1,544,699	320,927,017
Short-term investments	—	—	—	—	—	—	—	—	706,683,781
Restricted short-term investments	—	—	—	—	195,753	1,233,711	—	160,348	135,382,220
Receivables, net	7,423,193	50,982,723	1,916,911	3,772,713	9,274,147	7,999,083	72,890,879	888,603	324,422,439
Due from State of NC component units	—	1,638,413	938,981	—	—	—	2,614,871	—	24,240,712
Due from University component units	—	—	—	—	—	48,907	—	—	—
Due from primary government	—	—	—	49,432	—	—	6,883,419	—	1,365,691
Notes receivable, net	638,233	1,805,437	66,124	667,163	190,918	188,156	3,144,329	596,409	6,756,172
Inventories	12,353,897	6,011,407	98,277	125,460	574,304	710,545	5,927,680	274,165	23,745,512
Prepaid items	—	—	584,514	—	538,541	—	—	—	—
Other assets	655,629	4,796,639	—	—	—	—	—	—	5,637,675
<i>Total Current Assets</i>	<i>99,389,955</i>	<i>333,524,769</i>	<i>15,793,146</i>	<i>21,251,986</i>	<i>81,996,369</i>	<i>41,904,042</i>	<i>403,005,557</i>	<i>22,139,892</i>	<i>1,586,296,675</i>
Noncurrent Assets:									
Restricted cash and cash equivalents	7,284,264	175,751,766	6,839,963	5,736,701	72,626,786	3,127,857	176,042,224	1,612,897	140,808,969
Receivables, Net	—	3,844,720	—	626,612	—	—	—	—	30,650,342
Endowment investments	14,013,649	42,855,704	5,824,220	14,233,322	40,778,417	27,340,340	209,047,256	13,099,371	1,745,046,912
Restricted investments	6,678,065	309,756	4,175,785	23,833	2,104	—	198,784,761	—	2,180,915,329
Other investments	6,429,084	—	47,100	475,922	—	—	114,747,421	—	23,747,732
Investment in joint venture	—	1,601,450	—	—	—	—	—	—	11,284,973
Cash surrender value									
of life insurance policies	—	—	—	—	—	—	—	—	—
Restricted due from primary government	—	—	—	5,121	—	1,232	—	—	327,656
Notes receivable, net	3,383,774	9,077,996	136,927	1,248,118	628,236	2,237,906	7,950,554	424,418	47,060,384
Prepaid items	—	125,715	586,181	—	—	—	—	—	—
Capital assets, nondepreciable	53,305,750	111,650,985	4,822,600	2,143,729	40,198,613	8,424,831	124,372,655	10,060,363	246,789,545
Capital assets, depreciable	537,501,387	878,332,417	139,328,495	182,289,026	299,516,503	262,036,147	1,900,955,636	181,076,667	2,852,998,614
<i>Total Noncurrent Assets</i>	<i>628,595,973</i>	<i>1,223,550,509</i>	<i>161,761,271</i>	<i>206,782,384</i>	<i>453,750,659</i>	<i>303,168,313</i>	<i>2,731,900,507</i>	<i>206,273,716</i>	<i>7,279,630,456</i>
Total Assets	727,985,928	1,557,075,278	177,554,417	228,034,370	535,747,028	345,072,355	3,134,906,064	228,413,608	8,865,927,131
Deferred Outflows of Resources									
Accumulated decrease in									
fair value of hedging derivatives	—	—	—	476,332	—	1,307,911	13,837,267	—	146,643,409
Deferred loss on refunding	8,350,062	3,729,051	167,541	—	336,601	7,146,207	—	390,601	12,519,357
Deferred outflows related to pensions	9,129,019	19,709,592	1,559,433	2,890,664	6,077,364	4,983,617	31,284,957	2,139,833	44,177,453
Total Deferred Outflows of Resources	17,479,081	23,438,643	1,726,974	3,366,996	6,413,965	13,437,735	45,122,224	2,530,434	203,340,219

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Assets										
Current Assets:										
Cash and cash equivalents	\$ 233,403,635	\$ 8,072,903	\$ 105,535,829	\$ 10,747,860	\$ 21,475,922	\$ 116,886,777	\$ 83,896,597	\$ 9,961,564	\$ 373,989	\$1,252,005,688
Restricted cash and cash equivalents	23,613,255	20,604,864	28,731,445	2,616,229	3,639,123	18,438,230	16,512,588	5,741,957	194,872	626,650,226
Short-term investments	446,004	—	904,154	—	—	—	—	—	—	708,033,939
Restricted short-term investments	—	—	8,712,211	2,655,361	—	—	—	18,541	—	148,358,145
Receivables, net	11,797,121	5,232,807	8,344,622	2,035,597	75,686	5,407,501	3,675,337	3,697,060	5,087	519,841,509
Due from State of NC component units	—	—	—	—	—	—	—	—	—	29,432,977
Due from University component units	—	—	—	—	91,049	—	—	—	113,568	253,524
Due from primary government	—	—	—	—	—	—	—	—	—	8,298,542
Notes receivable, net	845,499	—	1,511,702	31,730	84,047	436,647	1,049,541	29,492	—	18,041,599
Inventories	301,857	44,912	404,671	2,230,460	174,832	303,555	5,382,492	204,078	38,046	58,906,150
Prepaid items	9,325,849	2,479,959	—	—	—	319	101,219	—	304	13,030,705
Other assets	—	—	—	—	—	—	—	—	—	11,089,943
<i>Total Current Assets</i>	<i>279,733,220</i>	<i>36,435,445</i>	<i>154,144,634</i>	<i>20,317,237</i>	<i>25,540,659</i>	<i>141,473,029</i>	<i>110,617,774</i>	<i>19,652,692</i>	<i>725,866</i>	<i>3,393,942,947</i>
Noncurrent Assets:										
Restricted cash and cash equivalents	63,618,927	3,622,899	10,672,118	6,987,961	2,953,136	10,724,258	25,757,837	6,603,629	5,664,950	726,437,142
Receivables, Net	—	—	1,617,810	429,073	—	662,785	7,968	—	—	37,839,310
Endowment investments	73,209,897	67,718,384	235,618,517	20,435,292	18,613,774	77,532,312	62,589,082	27,358,978	—	2,695,315,427
Restricted investments	10,694,174	9,915,207	—	1,506,382	97,859	—	1,394,079	192	37,775	2,414,535,301
Other investments	37,646	—	3,798,338	—	—	—	17,500	—	—	149,300,743
Investment in joint venture	—	—	—	—	—	—	—	—	—	12,886,423
Cash surrender value										
of life insurance policies	—	—	—	58,761	—	—	—	—	—	58,761
Restricted due from primary government	—	—	—	—	—	—	—	—	—	334,009
Notes receivable, net	5,286,745	—	3,619,738	359,685	329,544	3,576,204	4,199,137	444,739	—	89,964,105
Prepaid items	—	—	—	—	—	991,416	164,384	—	—	1,867,696
Capital assets, nondepreciable	90,898,079	1,051,482	78,800,189	5,882,247	6,653,447	19,342,137	23,199,318	14,991,599	5,593,441	848,181,010
Capital assets, depreciable	1,148,362,469	35,508,346	638,235,793	162,210,876	117,960,087	480,939,400	358,359,831	187,453,279	37,087,931	10,400,152,904
<i>Total Noncurrent Assets</i>	<i>1,392,107,937</i>	<i>117,816,318</i>	<i>972,362,503</i>	<i>197,870,277</i>	<i>146,607,847</i>	<i>593,768,512</i>	<i>475,689,136</i>	<i>236,852,416</i>	<i>48,384,097</i>	<i>17,376,872,831</i>
Total Assets	1,671,841,157	154,251,763	1,126,507,137	218,187,514	172,148,506	735,241,541	586,306,910	256,505,108	49,109,963	20,770,815,778
Deferred Outflows of Resources										
Accumulated decrease in										
fair value of hedging derivatives	—	—	—	2,194,590	—	—	—	—	—	164,459,509
Deferred loss on refunding	3,809,597	—	4,583,446	—	—	3,132,155	5,414,631	—	—	49,579,249
Deferred outflows related to pensions	10,237,971	1,915,210	6,794,463	2,448,319	1,274,146	4,904,056	5,101,429	3,524,806	1,193,636	159,345,968
Total Deferred Outflows of Resources	14,047,568	1,915,210	11,377,909	4,642,909	1,274,146	8,036,211	10,516,060	3,524,806	1,193,636	373,384,726

The University of North Carolina

Statement of Net Position

June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Liabilities									
Current Liabilities:									
Accounts payable and accrued liabilities	8,746,266	36,226,346	2,425,804	2,564,801	6,366,846	3,992,377	45,594,682	2,071,983	159,780,911
Due to State of NC component units	—	26,618	—	—	—	—	514,053	—	22,736,431
Due to primary government	45,386	29,051	25,347	9,239	49,149	21,892	7,671,671	13,819	—
Obligations under reverse repurchase agreements	—	—	—	—	—	—	—	—	15,255,000
Short-term debt	—	—	—	—	—	—	40,100,000	—	33,000,000
Interest payable	2,821,485	3,504,677	373,171	530,348	1,068,039	412,232	4,347,678	244,400	13,529,890
Deposits payable	—	1,446,197	—	—	—	—	—	—	5,775,592
Funds held for others	436,356	42,783	—	—	—	48,907	—	1,740	65,135,361
Unearned revenue	8,856,340	18,696,993	481,235	1,156,296	3,021,435	3,761,903	42,255,442	1,274,143	46,652,378
Long-term liabilities - current portion	15,641,345	13,616,926	1,463,066	2,098,412	3,925,838	2,970,490	20,551,578	3,020,981	140,514,221
<i>Total Current Liabilities</i>	<i>36,547,178</i>	<i>73,589,591</i>	<i>4,768,623</i>	<i>6,359,096</i>	<i>14,431,307</i>	<i>11,207,801</i>	<i>161,035,104</i>	<i>6,627,066</i>	<i>502,379,784</i>
Noncurrent Liabilities:									
Accounts payable and accrued liabilities	254,628	—	—	—	—	—	—	—	—
Hedging derivatives liability	—	—	—	476,332	—	1,307,911	13,837,267	—	146,643,409
Unearned revenue	—	—	—	—	—	—	75,436,487	—	—
Deposits payable	221,933	—	—	—	—	400	2,834,127	38,879	—
Funds held for others	423,502	6,629,423	134,107	432,429	233,044	1,105,766	30,873,700	174,366	—
Funds held in trust for pool participants	—	—	—	—	—	—	199,492,467	—	2,246,756,990
U.S. government grants refundable	3,947,563	12,024,969	649,171	1,678,588	885,623	1,933,248	5,026,290	1,164,081	31,543,252
Long-term liabilities - noncurrent portion	266,672,966	436,243,743	37,012,033	74,000,545	134,466,693	108,691,584	682,735,164	49,610,963	1,527,449,714
<i>Total Noncurrent Liabilities</i>	<i>271,520,592</i>	<i>454,898,135</i>	<i>37,795,311</i>	<i>76,587,894</i>	<i>135,585,360</i>	<i>113,038,909</i>	<i>1,010,235,502</i>	<i>50,988,289</i>	<i>3,952,393,365</i>
Total Liabilities	308,067,770	528,487,726	42,563,934	82,946,990	150,016,667	124,246,710	1,171,270,606	57,615,355	4,454,773,149
Deferred Inflows of Resources									
Deferred gain on refunding	—	—	—	—	—	—	—	137,478	—
Deferred inflows related to pensions	4,739,484	11,816,974	2,767,452	1,929,988	3,266,930	3,798,870	17,506,004	966,701	28,358,552
Deferred revenue, split interest trust agreements	—	—	—	—	—	—	—	—	—
Other deferred inflows	—	—	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	4,739,484	11,816,974	2,767,452	1,929,988	3,266,930	3,798,870	17,506,004	1,104,179	28,358,552

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Liabilities										
Current Liabilities:										
Accounts payable and accrued liabilities	12,681,760	3,139,508	10,399,112	1,911,362	1,382,736	3,958,589	4,828,054	2,564,037	390,332	309,025,506
Due to State of NC component units	—	—	—	—	—	—	—	—	—	23,277,102
Due to primary government	—	16,300	6,381	—	13,628	—	15,577	—	—	7,917,440
Obligations under reverse repurchase agreements	—	—	—	—	—	—	—	—	—	15,255,000
Short-term debt	—	—	—	—	—	—	—	—	—	73,100,000
Interest payable	5,999,282	903	3,406,783	779,936	15,591	1,912,968	847,824	626,921	1,109	40,423,237
Deposits payable	1,521,025	—	768,110	—	—	28,497	—	—	—	9,539,421
Funds held for others	800	4,569,828	52,044	—	—	—	—	—	37,193	70,325,012
Unearned revenue	7,118,199	7,226,722	5,335,658	242,845	2,011,794	8,340,515	7,622,002	4,361,667	393,131	168,808,698
Long-term liabilities - current portion	18,235,104	195,971	13,090,104	3,522,773	749,157	11,105,420	5,458,459	4,822,058	247,533	261,229,436
<i>Total Current Liabilities</i>	<i>45,556,170</i>	<i>15,149,232</i>	<i>33,058,192</i>	<i>6,456,916</i>	<i>4,172,906</i>	<i>25,345,989</i>	<i>18,771,916</i>	<i>12,374,683</i>	<i>1,069,298</i>	<i>978,900,852</i>
Noncurrent Liabilities:										
Accounts payable and accrued liabilities	—	—	3,077,705	—	—	—	—	—	—	3,332,333
Hedging derivatives liability	—	—	—	2,194,590	—	—	—	—	—	164,459,509
Unearned revenue	—	—	—	—	—	—	—	—	—	75,436,487
Deposits payable	—	—	—	351,759	—	—	120,946	143,648	—	3,711,692
Funds held for others	10,425,898	—	1,504,439	620,105	30,008	3,235,791	691,441	2,095,938	73,392	58,683,349
Funds held in trust for pool participants	10,414,546	—	3,415,481	—	—	—	—	—	—	2,460,079,484
U.S. government grants refundable	5,453,193	—	5,084,360	816,949	479,096	3,389,212	5,005,623	750,093	—	79,831,311
Long-term liabilities - noncurrent portion	575,653,426	8,943,386	357,144,516	64,616,319	11,534,727	241,257,191	145,588,666	97,467,634	4,931,293	4,824,020,563
<i>Total Noncurrent Liabilities</i>	<i>601,947,063</i>	<i>8,943,386</i>	<i>370,226,501</i>	<i>68,599,722</i>	<i>12,043,831</i>	<i>247,882,194</i>	<i>151,406,676</i>	<i>100,457,313</i>	<i>5,004,685</i>	<i>7,669,554,728</i>
Total Liabilities	647,503,233	24,092,618	403,284,693	75,056,638	16,216,737	273,228,183	170,178,592	112,831,996	6,073,983	8,648,455,580
Deferred Inflows of Resources										
Deferred gain on refunding	30,071	—	—	—	—	—	—	—	—	167,549
Deferred inflows related to pensions	5,485,990	1,001,925	5,622,820	1,484,782	655,269	3,396,453	2,451,774	2,045,130	552,167	97,847,265
Deferred revenue, split interest trust agreements	—	—	161,046	—	—	—	—	—	—	161,046
Other deferred inflows	—	—	—	—	—	—	—	989,752	—	989,752
Total Deferred Inflows of Resources	5,516,061	1,001,925	5,783,866	1,484,782	655,269	3,396,453	2,451,774	3,034,882	552,167	99,165,612

The University of North Carolina

Statement of Net Position

June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Net Position									
Net investment in capital assets	356,164,293	744,675,588	112,467,329	120,420,834	293,589,561	203,641,140	1,413,824,172	146,372,273	1,662,752,823
Nonexpendable:									
Scholarships and fellowships	—	2,252,596	2,368,753	4,864,199	21,136,453	4,688,106	11,576,865	688,598	177,314,262
Research	20,000	—	—	—	—	—	—	—	21,613,479
Endowed professorships	13,744,831	29,808,900	5,010,000	5,149,555	12,617,287	9,943,855	91,436,822	7,336,500	357,208,550
Departmental uses	—	341,027	151,500	1,026,488	882,293	—	7,951,186	—	145,923,379
Loans	540,291	1,620,732	—	520,238	224,399	813,232	8,298,666	177,678	22,666,398
Art	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	62,955,613
Expendable:									
Scholarships and fellowships	587,145	4,911,392	4,049,581	5,175,049	6,643,753	3,661,901	28,774,194	1,767,085	171,404,373
Research	34,360	—	—	—	271,461	275,128	14,618,087	543,213	16,645,001
Endowed professorships	6,596,525	9,356,296	1,056,528	1,283,755	5,361,608	10,033,951	65,708,515	2,988,189	416,215,144
Departmental uses	152,161	875,728	—	1,087,269	6,656,143	1,826,897	33,183,853	461,056	401,656,369
Loans	—	—	219,311	—	—	—	1,110,201	—	—
Capital projects	2,970,575	25,363,152	1,837,413	1,389,090	1,479,633	2,138,848	59,319,171	1,349,978	210,214,543
Debt service	—	13,770,790	3,971,670	3,960,357	—	—	15,017,301	—	88,817,904
Art	—	—	—	—	—	—	—	—	—
Other	—	1,551,531	—	—	—	644	—	385,690	67,378,225
Restricted for specific programs	201,652	—	805,166	—	—	—	—	—	—
Operations and maintenance	—	—	—	—	—	—	—	—	—
Unrestricted net position	51,645,922	205,681,489	2,012,754	1,647,554	40,014,805	(6,559,192)	240,432,645	10,154,248	763,369,586
Total Net Position	\$ 432,657,755	\$ 1,040,209,221	\$ 133,950,005	\$ 146,524,388	\$ 388,877,396	\$ 230,464,510	\$ 1,991,251,678	\$ 172,224,508	\$ 4,586,135,649

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Net Position										
Net investment in capital assets	734,905,763	35,950,994	383,786,101	111,923,416	117,128,508	282,012,245	266,870,297	114,511,597	41,963,783	7,142,960,717
Nonexpendable:										
Scholarships and fellowships	5,198,364	14,080,017	79,635,409	7,976,185	322,503	23,143,755	20,454,061	3,654,143	—	379,354,269
Research	—	—	—	—	—	1,845,085	—	—	—	23,478,564
Endowed professorships	33,290,883	—	18,497,957	8,342,791	10,010,168	10,997,296	19,217,989	12,190,059	—	644,803,443
Departmental uses	3,999,785	48,813	30,092,695	197,356	4,641,145	18,157,444	732,896	2,484,235	—	216,630,242
Loans	1,818,983	—	874,969	—	77,387	958,779	929,012	83,712	—	39,604,476
Art	—	—	1,521,282	—	—	—	—	—	—	1,521,282
Other	215,997	981,543	7,523,336	—	—	—	—	—	—	71,676,489
Expendable:										
Scholarships and fellowships	4,098,232	22,503,968	60,001,907	1,986,279	329,106	11,903,543	16,638,709	382,300	—	344,818,517
Research	2,309,322	—	40,059	—	—	979,130	—	—	—	35,715,761
Endowed professorships	11,654,213	117,218	19,313,332	2,243,738	2,803,080	6,505,986	7,652,632	2,714,696	—	571,605,406
Departmental uses	4,114,223	32,469,467	28,742,533	890,981	3,085,638	8,509,681	2,418,438	9,096,306	—	535,226,743
Loans	—	—	1,053,890	—	—	662,569	445,789	209,123	—	3,700,883
Capital projects	20,216,006	1,497,165	8,348,136	3,419,547	3,522,147	3,207,437	9,605,091	2,569,134	5,591,557	364,038,623
Debt service	458,308	—	44	3,290,755	3,062	588,168	1,485,129	—	31	131,363,519
Art	—	—	772,522	—	—	—	—	—	—	772,522
Other	3,060,844	664,229	3,884,444	359,418	—	—	415,843	—	—	77,700,868
Restricted for specific programs	—	—	—	—	—	—	—	—	—	1,006,818
Operations and maintenance	—	—	—	1,872,433	—	—	—	—	—	1,872,433
Unrestricted net position	207,528,508	22,759,016	84,727,871	3,786,104	14,627,902	97,181,998	77,326,718	(3,732,269)	(3,877,922)	1,808,727,737
Total Net Position	\$ 1,032,869,431	\$ 131,072,430	\$ 728,816,487	\$ 146,289,003	\$ 156,550,646	\$ 466,653,116	\$ 424,192,604	\$ 144,163,036	\$ 43,677,449	\$12,396,579,312

The University of North Carolina

Statement of Net Position

June 30, 2016	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Total Assets	\$ 727,985,928	\$ 1,557,075,278	\$ 177,554,417	\$ 228,034,370	\$ 535,747,028	\$ 345,072,355	\$ 3,134,906,064	\$ 228,413,608	\$ 8,865,927,131
Eliminations	—	—	—	—	—	—	—	—	(1,009,660,429)
Adjusted Total Assets	<u>727,985,928</u>	<u>1,557,075,278</u>	<u>177,554,417</u>	<u>228,034,370</u>	<u>535,747,028</u>	<u>345,072,355</u>	<u>3,134,906,064</u>	<u>228,413,608</u>	<u>7,856,266,702</u>
Total Deferred Outflows of Resources	17,479,081	23,438,643	1,726,974	3,366,996	6,413,965	13,437,735	45,122,224	2,530,434	203,340,219
Total Liabilities	308,067,770	528,487,726	42,563,934	82,946,990	150,016,667	124,246,710	1,171,270,606	57,615,355	4,454,773,149
Eliminations	—	—	—	—	—	—	—	—	(1,009,660,429)
Adjusted Total Liabilities	<u>308,067,770</u>	<u>528,487,726</u>	<u>42,563,934</u>	<u>82,946,990</u>	<u>150,016,667</u>	<u>124,246,710</u>	<u>1,171,270,606</u>	<u>57,615,355</u>	<u>3,445,112,720</u>
Total Deferred Inflows of Resources	4,739,484	11,816,974	2,767,452	1,929,988	3,266,930	3,798,870	17,506,004	1,104,179	28,358,552
Total Net Position	\$ 432,657,755	\$ 1,040,209,221	\$ 133,950,005	\$ 146,524,388	\$ 388,877,396	\$ 230,464,510	\$ 1,991,251,678	\$ 172,224,508	\$ 4,586,135,649

The University of North Carolina

Statement of Net Position

June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Total Assets	\$ 1,671,841,157	\$ 154,251,763	\$ 1,126,507,137	\$ 218,187,514	\$ 172,148,506	\$ 735,241,541	\$ 586,306,910	\$ 256,505,108	\$ 49,109,963	\$20,770,815,778
Eliminations	—	—	—	—	—	—	—	—	—	(1,009,660,429)
Adjusted Total Assets	<u>1,671,841,157</u>	<u>154,251,763</u>	<u>1,126,507,137</u>	<u>218,187,514</u>	<u>172,148,506</u>	<u>735,241,541</u>	<u>586,306,910</u>	<u>256,505,108</u>	<u>49,109,963</u>	<u>19,761,155,349</u>
Total Deferred Outflows of Resources	14,047,568	1,915,210	11,377,909	4,642,909	1,274,146	8,036,211	10,516,060	3,524,806	1,193,636	373,384,726
Total Liabilities	647,503,233	24,092,618	403,284,693	75,056,638	16,216,737	273,228,183	170,178,592	112,831,996	6,073,983	8,648,455,580
Eliminations	—	—	—	—	—	—	—	—	—	(1,009,660,429)
Adjusted Total Liabilities	<u>647,503,233</u>	<u>24,092,618</u>	<u>403,284,693</u>	<u>75,056,638</u>	<u>16,216,737</u>	<u>273,228,183</u>	<u>170,178,592</u>	<u>112,831,996</u>	<u>6,073,983</u>	<u>7,638,795,151</u>
Total Deferred Inflows of Resources	5,516,061	1,001,925	5,783,866	1,484,782	655,269	3,396,453	2,451,774	3,034,882	552,167	99,165,612
Total Net Position	\$ 1,032,869,431	\$ 131,072,430	\$ 728,816,487	\$ 146,289,003	\$ 156,550,646	\$ 466,653,116	\$ 424,192,604	\$ 144,163,036	\$ 43,677,449	\$12,396,579,312

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Operating Revenues									
Student tuition & fees, net	\$ 114,819,207	\$ 189,406,978	\$ 6,117,397	\$ 17,846,199	\$ 60,524,020	\$ 40,212,322	\$ 291,175,319	\$ 23,728,560	\$ 405,808,354
Patient services, net	—	204,523,305	—	—	—	—	—	—	416,811,591
Federal appropriations	—	—	—	—	7,953,441	—	13,847,694	—	—
Federal grants and contracts	5,510,764	16,473,521	288,528	194,644	19,097,057	7,369,377	158,076,378	1,686,587	639,350,719
State and local grants and contracts	705,146	10,443,981	149,038	—	1,323,558	67,083	36,305,745	961,182	29,432,614
Nongovernmental grants and contracts	971,499	14,811,701	6,005	—	1,623,862	313,177	83,947,935	983,356	160,714,422
Sales and services, net	80,758,600	92,667,409	5,161,725	9,904,677	28,016,855	25,213,596	238,447,749	12,356,155	416,012,618
Interest earnings on loans	30,884	42,615	7,340	19,123	3,824	106,453	259,520	37,482	1,449,722
Other operating revenues, net	1,833,833	1,531,530	121,592	—	2,054,280	1,247,404	14,292,123	1,671,438	17,631,796
<i>Total Operating Revenues</i>	<i>204,629,933</i>	<i>529,901,040</i>	<i>11,851,625</i>	<i>27,964,643</i>	<i>120,596,897</i>	<i>74,529,412</i>	<i>836,352,463</i>	<i>41,424,760</i>	<i>2,087,211,836</i>
Operating Expenses									
Salaries and benefits	230,614,262	542,167,942	30,724,623	65,398,959	153,424,134	114,336,857	857,250,567	57,345,833	1,544,503,269
Supplies and materials	40,915,818	86,829,639	2,911,736	5,589,849	16,337,949	12,017,709	127,911,047	5,279,264	216,969,075
Services	43,290,980	107,731,303	11,963,124	16,698,135	46,412,883	29,211,640	251,765,902	14,652,434	722,677,144
Scholarships and fellowships	22,292,193	42,954,517	5,387,093	10,829,358	18,853,181	12,927,598	43,820,372	5,797,385	122,815,639
Utilities	10,482,173	17,455,581	2,379,553	2,795,098	5,367,842	4,807,433	32,028,497	2,596,968	83,711,025
Depreciation/ amortization	20,397,827	28,203,747	4,388,342	5,536,486	11,414,876	8,957,952	88,721,461	5,208,173	136,572,434
<i>Total Operating Expenses</i>	<i>367,993,253</i>	<i>825,342,729</i>	<i>57,754,471</i>	<i>106,847,885</i>	<i>251,810,865</i>	<i>182,259,189</i>	<i>1,401,497,846</i>	<i>90,880,057</i>	<i>2,827,248,586</i>
Operating Loss	(163,363,320)	(295,441,689)	(45,902,846)	(78,883,242)	(131,213,968)	(107,729,777)	(565,145,383)	(49,455,297)	(740,036,750)
Nonoperating Revenues/ (Expenses)									
State appropriations	133,764,390	285,707,637	32,345,436	48,405,925	92,648,666	80,007,483	502,533,982	38,770,344	493,923,004
Noncapital grants - student financial aid	33,251,231	35,040,974	7,575,259	16,686,837	40,393,595	20,601,691	44,705,577	8,934,736	19,607,307
Noncapital grants	6,184,153	16,901,082	7,389,876	14,391,461	11,120,337	13,245,732	793,723	367,755	75,955,561
Noncapital gifts, net	11,835,479	12,469,740	725,397	1,293,946	900,910	547,193	71,230,776	2,468,741	123,455,737
Interest and fees on debt	(10,475,195)	(9,323,270)	(2,117,639)	(2,937,556)	(2,816,444)	(3,843,617)	(16,742,517)	(2,194,764)	(62,561,118)
Investment income (loss)	(129,399)	606,860	(7,167)	(107,812)	701,811	67,517	1,569,316	(166,637)	(50,950,284)
Grants, aid and subsidies	—	—	—	—	—	—	—	—	—
Federal interest subsidy on debt	—	436,107	389,516	—	—	—	1,136,485	523,873	2,118,403
Other nonoperating revenues	—	—	—	—	—	809,062	750,168	114,448	27,520,415
Other nonoperating expenses	(586,346)	(9,089,102)	(1,630,486)	(180,832)	(741,879)	—	—	—	—
Grant to Union Square Campus, Inc.	—	—	—	—	(1,000,000)	—	—	—	—
<i>Total Nonoperating Revenues/ (Expenses)</i>	<i>173,844,313</i>	<i>332,750,028</i>	<i>44,670,192</i>	<i>77,551,969</i>	<i>141,206,996</i>	<i>111,435,061</i>	<i>605,977,510</i>	<i>48,818,496</i>	<i>629,069,025</i>

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Operating Revenues										
Student tuition & fees, net	\$ 196,713,375	\$ —	\$ 99,590,112	\$ 24,059,293	\$ 14,454,044	\$ 106,092,410	\$ 55,823,244	\$ 22,114,200	\$ 129,683	\$ 1,668,614,717
Patient services, net	—	—	—	—	—	—	—	—	—	621,334,896
Federal appropriations	—	—	—	—	—	—	—	—	—	21,801,135
Federal grants and contracts	27,164,970	—	6,280,749	235,947	92,020	5,999,522	4,051,404	—	—	891,872,187
State and local grants and contracts	4,510,768	—	1,224,599	180,540	—	904,509	156,908	—	—	86,365,671
Nongovernmental grants and contracts	8,161,845	—	692,095	70,164	—	1,544,889	707,702	—	—	274,548,652
Sales and services, net	78,440,531	6,239,584	51,404,528	17,884,622	7,584,356	48,577,571	39,857,000	16,480,180	856,555	1,175,864,311
Interest earnings on loans	59,343	—	117,121	9,700	1,642	34,825	16,891	4,261	—	2,200,746
Other operating revenues, net	4,352,806	12,549	1,589,544	604,404	568,158	5,951,746	1,568,271	2,207,421	59,942	57,298,837
<i>Total Operating Revenues</i>	<u>319,403,638</u>	<u>6,252,133</u>	<u>160,898,748</u>	<u>43,044,670</u>	<u>22,700,220</u>	<u>169,105,472</u>	<u>102,181,420</u>	<u>40,806,062</u>	<u>1,046,180</u>	<u>4,799,901,152</u>
Operating Expenses										
Salaries and benefits	332,636,338	37,891,794	226,075,680	67,842,477	36,746,301	168,749,290	122,735,721	78,862,711	17,064,601	4,684,371,359
Supplies and materials	42,394,277	2,828,419	19,567,230	11,329,863	3,878,125	23,337,460	18,525,078	7,185,846	1,152,922	644,961,306
Services	86,457,532	27,678,845	56,816,731	20,944,015	10,287,760	56,723,131	40,461,654	24,463,698	2,876,510	1,571,113,421
Scholarships and fellowships	41,879,088	—	29,343,741	9,982,591	1,393,012	18,811,150	11,655,858	12,025,876	—	410,768,652
Utilities	12,278,758	1,860,047	7,969,781	3,299,938	2,075,989	8,103,167	4,911,587	2,969,025	1,006,485	206,098,947
Depreciation/ amortization	27,998,426	3,125,151	19,757,741	5,682,880	3,996,419	11,903,744	8,712,921	7,660,896	1,238,515	399,477,991
<i>Total Operating Expenses</i>	<u>543,644,419</u>	<u>73,384,256</u>	<u>359,530,904</u>	<u>119,081,764</u>	<u>58,377,606</u>	<u>287,627,942</u>	<u>207,002,819</u>	<u>133,168,052</u>	<u>23,339,033</u>	<u>7,916,791,676</u>
Operating Loss	<u>(224,240,781)</u>	<u>(67,132,123)</u>	<u>(198,632,156)</u>	<u>(76,037,094)</u>	<u>(35,677,386)</u>	<u>(118,522,470)</u>	<u>(104,821,399)</u>	<u>(92,361,990)</u>	<u>(22,292,853)</u>	<u>(3,116,890,524)</u>
Nonoperating Revenues/ (Expenses)										
State appropriations	220,923,807	279,837,968	148,838,492	54,238,608	29,620,047	114,065,933	91,790,543	65,712,455	20,271,766	2,733,406,486
Noncapital grants - student financial aid	65,803,235	—	52,284,872	20,405,025	1,735,477	23,577,465	24,650,067	21,787,593	—	437,040,941
Noncapital grants	141,255	42,222,421	22,877,244	3,213,447	199,667	—	1,117,256	10,235,903	156,430	226,513,303
Noncapital gifts, net	12,574,585	12,529,277	3,937,254	1,135,324	2,166,909	3,821,547	5,165,143	88,964	914,240	267,261,162
Interest and fees on debt	(19,983,765)	(12,343)	(9,007,077)	(3,002,240)	(192,527)	(10,262,909)	(5,299,733)	(3,780,017)	(8,305)	(164,561,036)
Investment income (loss)	3,443,321	(1,229,981)	(8,929,314)	(950,248)	(204,844)	950,929	(739,841)	(414,835)	9	(56,490,599)
Grants, aid and subsidies	—	(274,581,502)	—	—	—	—	—	—	—	(274,581,502)
Federal interest subsidy on debt	1,900,454	—	—	371,338	—	697,046	—	—	—	7,573,222
Other nonoperating revenues	—	—	—	—	—	—	—	—	7,001	29,201,094
Other nonoperating expenses	(1,680,290)	(86,277)	(4,268,833)	(236,972)	(16,179)	(98,406)	(1,268,651)	—	—	(19,884,253)
Grant to Union Square Campus, Inc.	—	—	—	—	—	—	—	—	—	(1,000,000)
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>283,122,602</u>	<u>58,679,563</u>	<u>205,732,638</u>	<u>75,174,282</u>	<u>33,308,550</u>	<u>132,751,605</u>	<u>115,414,784</u>	<u>93,630,063</u>	<u>21,341,141</u>	<u>3,184,478,818</u>

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Income/ (Loss) Before									
Transfers and Other Items	10,480,993	37,308,339	(1,232,654)	(1,331,273)	9,993,028	3,705,284	40,832,127	(636,801)	(110,967,725)
Capital appropriations	2,782,121	4,826,500	—	1,410,300	2,121,222	1,502,422	9,013,500	1,514,300	8,766,500
Capital grants	—	2,149,487	1,715,440	118,107	—	—	2,508,299	215,557	8,997,299
Capital gifts	7,456,580	938,200	—	821,167	956,503	—	6,961,858	1,002,888	—
Additions to endowments	12,970	2,377,286	109,787	484,554	2,454,897	—	14,039,031	—	12,428,037
Special item	—	—	—	1,234,725	—	—	—	—	—
Change in Net Position	20,732,664	47,599,812	592,573	2,737,580	15,525,650	5,207,706	73,354,815	2,095,944	(80,775,889)
Net position - July 1, as restated	411,925,091	992,609,409	133,357,432	143,786,808	373,351,746	225,256,804	1,917,896,863	170,128,564	4,666,911,538
Net Position - June 30	<u>\$ 432,657,755</u>	<u>\$ 1,040,209,221</u>	<u>\$ 133,950,005</u>	<u>\$ 146,524,388</u>	<u>\$ 388,877,396</u>	<u>\$ 230,464,510</u>	<u>\$ 1,991,251,678</u>	<u>\$ 172,224,508</u>	<u>\$ 4,586,135,649</u>

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Income/ (Loss) Before										
Transfers and Other Items	58,881,821	(8,452,560)	7,100,482	(862,812)	(2,368,836)	14,229,135	10,593,385	1,268,073	(951,712)	67,588,294
Capital appropriations	3,453,900	1,075,000	3,292,800	1,609,173	1,714,471	2,119,200	2,751,000	—	5,410,300	53,362,709
Capital grants	73,142	—	733,951	264,541	1,530,807	1,201,905	119,779	163,894	—	19,792,208
Capital gifts	2,099,885	—	260,983	10,000	231,372	1,141,618	931,632	1,700,000	—	24,512,686
Additions to endowments	2,711,282	—	6,118,549	960,689	2,520	2,397,133	2,373,573	10,060	—	46,480,368
Special item	—	—	—	—	—	—	—	—	—	1,234,725
Change in Net Position	67,220,030	(7,377,560)	17,506,765	1,981,591	1,110,334	21,088,991	16,769,369	3,142,027	4,458,588	212,970,990
Net position - July 1, as restated	965,649,401	138,449,990	711,309,722	144,307,412	155,440,312	445,564,125	407,423,235	141,021,009	39,218,861	12,183,608,322
Net Position - June 30	<u>\$ 1,032,869,431</u>	<u>\$ 131,072,430</u>	<u>\$ 728,816,487</u>	<u>\$ 146,289,003</u>	<u>\$ 156,550,646</u>	<u>\$ 466,653,116</u>	<u>\$ 424,192,604</u>	<u>\$ 144,163,036</u>	<u>\$ 43,677,449</u>	<u>\$ 12,396,579,312</u>

The University of North Carolina

Statement of Revenues, Expenses and Changes in Net Position

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Total Revenues	\$ 399,916,857	\$ 891,354,913	\$ 62,102,336	\$ 112,811,665	\$ 271,894,838	\$ 191,310,512	\$ 1,491,595,178	\$ 95,337,402	\$ 2,859,984,099
Eliminations	—	(1,208,778)	(75,048)	(433,848)	(157,858)	(210,863)	(3,378,456)	(712,552)	(48,007,551)
Total Adjusted Revenues	<u>399,916,857</u>	<u>890,146,135</u>	<u>62,027,288</u>	<u>112,377,817</u>	<u>271,736,980</u>	<u>191,099,649</u>	<u>1,488,216,722</u>	<u>94,624,850</u>	<u>2,811,976,548</u>
Total Expenses	(379,184,193)	(843,755,101)	(61,509,763)	(110,074,085)	(256,369,188)	(186,102,806)	(1,418,240,363)	(93,241,458)	(2,940,759,988)
Eliminations	(110,279)	—	—	—	—	—	671,795	49,749	—
Total Adjusted Expenses	<u>(379,294,472)</u>	<u>(843,755,101)</u>	<u>\$ (61,509,763)</u>	<u>\$ (110,074,085)</u>	<u>\$ (256,369,188)</u>	<u>\$ (186,102,806)</u>	<u>\$ (1,417,568,568)</u>	<u>\$ (93,191,709)</u>	<u>\$ (2,940,759,988)</u>
Adjusted Change in Net Position	<u>\$ 20,622,385</u>	<u>\$ 46,391,034</u>	<u>\$ 517,525</u>	<u>\$ 2,303,732</u>	<u>\$ 15,367,792</u>	<u>\$ 4,996,843</u>	<u>\$ 70,648,154</u>	<u>\$ 1,433,141</u>	<u>\$ (128,783,440)</u>

The University of North Carolina

Statement of Revenues, Expenses, and Changes in Net Position

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Total Revenues	\$ 632,528,504	\$ 341,916,799	\$ 399,242,893	\$ 125,252,815	\$ 59,901,490	\$ 319,078,248	\$ 231,080,413	\$ 140,504,931	\$ 27,805,926	\$ 8,653,619,819
Eliminations	(1,262,419)	—	(862,017)	—	(91,294)	(409,959)	(77,657)	(90,964)	(1,000)	(56,980,264)
Total Adjusted Revenues	631,266,085	341,916,799	398,380,876	125,252,815	59,810,196	318,668,289	231,002,756	140,413,967	27,804,926	8,596,639,555
Total Expenses	(565,308,474)	(349,294,359)	(381,736,128)	(123,271,224)	(58,791,156)	(297,989,257)	(214,311,044)	(137,362,904)	(23,347,338)	(8,440,648,829)
Eliminations	12,342	56,558,339	(300,500)	(6,000)	10,256	—	67,318	27,244	—	56,980,264
Total Adjusted Expenses	(565,296,132)	(292,736,020)	(382,036,628)	(123,277,224)	(58,780,900)	(297,989,257)	(214,243,726)	(137,335,660)	(23,347,338)	(8,383,668,565)
Adjusted Change in Net Position	<u>\$ 65,969,953</u>	<u>\$ 49,180,779</u>	<u>\$ 16,344,248</u>	<u>\$ 1,975,591</u>	<u>\$ 1,029,296</u>	<u>\$ 20,679,032</u>	<u>\$ 16,759,030</u>	<u>\$ 3,078,307</u>	<u>\$ 4,457,588</u>	<u>\$ 212,970,990</u>

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Cash Flows From Operating Activities									
Received from customers	\$ 203,150,088	\$ 544,342,017	\$ 11,813,055	\$ 27,660,945	\$ 118,196,827	\$ 73,465,726	\$ 826,173,442	\$ 41,465,869	\$ 2,196,189,317
Payments to employees and fringe benefits	(235,880,033)	(555,768,485)	(32,679,170)	(67,831,992)	(159,256,436)	(117,858,085)	(876,612,264)	(58,218,324)	(1,607,307,094)
Payments to vendors and suppliers	(94,473,111)	(215,388,249)	(16,987,966)	(24,734,785)	(70,931,224)	(46,298,455)	(408,956,030)	(22,222,199)	(1,155,791,440)
Payments for scholarships and fellowships	(22,292,193)	(42,954,517)	(5,387,093)	(10,829,358)	(18,853,632)	(12,927,598)	(43,820,372)	(5,825,095)	(122,815,639)
Loans issued	(727,451)	(1,342,534)	—	(265,127)	(94,105)	(319,346)	(874,571)	(124,397)	(6,174,609)
Collection of loans	649,512	1,443,195	17,322	225,841	120,023	327,856	2,076,555	149,005	5,389,858
Interest earned on loans	22,152	204,497	385,614	—	26,683	99,675	258,211	37,482	1,349,572
Student deposits received	3,329,566	1,750,113	—	—	—	—	—	—	—
Student deposits returned	(2,969,806)	(1,796,657)	—	—	—	—	—	—	—
Other receipts	1,832,554	—	—	6,989	2,054,280	689,828	14,313,885	—	—
Other payments	—	—	—	—	—	—	—	(299,376)	(57,986,377)
Net Cash Used by Operating Activities	(147,358,722)	(269,510,620)	(42,838,238)	(75,767,487)	(128,737,584)	(102,820,399)	(487,441,144)	(45,037,035)	(747,146,412)
Cash Flows From Noncapital Financing Activities									
State appropriations	133,764,390	285,707,637	32,345,436	48,405,925	92,648,666	80,007,483	502,533,982	38,770,344	493,923,004
Noncapital grants - student financial aid	33,251,231	35,086,296	7,575,259	16,523,944	40,467,082	20,601,691	44,705,577	8,934,736	19,607,307
Noncapital grants	5,131,821	16,866,820	7,389,876	17,934,319	12,911,554	12,687,407	214,926	356,317	75,955,561
Noncapital gifts	10,758,281	12,520,406	725,397	1,440,616	900,910	547,193	71,230,776	2,468,741	139,418,878
Additions to endowments	12,970	2,377,286	109,787	484,553	2,454,897	—	14,039,031	—	12,428,037
William D. Ford Direct Lending receipts	87,283,410	155,790,703	9,303,905	32,627,412	81,184,392	85,524,097	110,989,300	13,894,010	169,250,827
William D. Ford Direct Lending disbursements	(87,372,983)	(155,115,087)	(9,303,905)	(32,922,404)	(81,184,392)	(85,524,097)	(112,575,224)	(13,894,010)	(173,399,973)
Related activity agency receipts	134,533	27,155,046	9,015	261,622	45,966	337,602	56,207,299	—	1,395,802,036
Related activity agency disbursements	(78,300)	(27,352,766)	—	—	(14,052)	—	(46,750,262)	—	(1,199,712,664)
External participation in investment fund receipts	—	—	—	—	—	—	25,902,256	—	—
External participation in investment fund disbursements	—	—	—	—	—	—	(12,910,099)	—	—
Proceeds from Hofmann Forest timber deed	—	—	—	—	—	—	76,976,007	—	—
Grants, aid, and subsidies	—	—	—	—	—	—	—	—	—
Receipts from UNC Health Care System for School of Medicine	—	—	—	—	—	—	—	—	50,128,276
Other receipts	—	—	—	1,343,680	—	205,274	2,812,560	—	—
Other payments	(92,644)	—	(385,814)	—	—	—	—	—	—
Grant to Union Square Campus, Inc.	—	—	—	—	(1,000,000)	—	—	—	—
Net Cash Provided by Noncapital Financing Activities	182,792,709	353,036,341	47,768,956	86,099,667	148,415,023	114,386,650	733,376,129	50,530,138	983,401,289

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Cash Flows From Operating Activities										
Received from customers	\$ 315,702,852	\$ 5,242,145	\$ 158,086,190	\$ 41,936,095	\$ 22,939,672	\$ 168,289,849	\$ 105,701,496	\$ 40,990,560	\$ 1,131,108	\$4,902,477,253
Payments to employees and fringe benefits	(339,257,816)	(39,411,934)	(232,434,022)	(69,563,255)	(37,485,236)	(171,810,962)	(125,387,580)	(81,689,631)	(17,767,604)	(4,826,219,923)
Payments to vendors and suppliers	(147,450,332)	(33,616,660)	(84,367,889)	(37,031,692)	(16,554,376)	(87,789,514)	(62,385,646)	(34,340,914)	(5,213,876)	(2,564,534,358)
Payments for scholarships and fellowships	(41,879,088)	—	(29,343,741)	(9,982,591)	(1,393,012)	(18,804,927)	(11,737,068)	(12,025,876)	—	(410,871,800)
Loans issued	(641,064)	—	(1,493,768)	—	(65,500)	(841,568)	(1,154,553)	(63,000)	—	(14,181,593)
Collection of loans	869,691	—	1,349,116	41,915	59,440	821,431	1,186,880	84,013	—	14,811,653
Interest earned on loans	106,053	—	111,561	—	(3,709)	17,642	111,528	4,261	—	2,731,222
Student deposits received	1,009,000	—	—	—	—	—	677,816	143,648	—	6,910,143
Student deposits returned	(899,800)	—	—	—	—	—	(668,981)	(79,600)	—	(6,414,844)
Other receipts	4,263,362	—	1,621,240	602,253	—	—	1,568,271	—	59,942	27,012,604
Other payments	—	(367,670)	—	—	—	(101,152)	—	—	—	(58,754,575)
Net Cash Used by Operating Activities	(208,177,142)	(68,154,119)	(186,471,313)	(73,997,275)	(32,502,721)	(110,219,201)	(92,087,837)	(86,976,539)	(21,790,430)	(2,927,034,218)
Cash Flows From Noncapital Financing Activities										
State appropriations	220,923,807	279,837,968	148,838,492	54,238,608	29,620,047	114,065,933	91,790,543	65,712,455	20,271,766	2,733,406,486
Noncapital grants - student financial aid	65,747,565	—	52,284,872	20,405,025	1,735,477	23,486,041	24,650,067	21,860,534	—	436,922,704
Noncapital grants	141,255	42,150,151	23,255,839	3,082,165	199,667	—	1,117,256	9,749,291	400,100	229,544,325
Noncapital gifts	9,881,385	12,422,859	2,979,293	797,089	2,185,038	2,909,385	4,077,402	88,964	800,672	276,153,285
Additions to endowments	2,711,282	—	6,118,549	960,689	2,520	2,397,133	2,373,573	10,060	—	46,480,367
William D. Ford Direct Lending receipts	135,290,588	—	92,231,572	39,864,716	7,265,487	79,114,291	63,828,582	32,189,596	—	1,195,632,888
William D. Ford Direct Lending disbursements	(135,327,343)	—	(92,231,572)	(39,752,218)	(7,265,487)	(79,118,928)	(63,828,582)	(32,189,596)	—	(1,201,005,801)
Related activity agency receipts	23,332,088	—	—	—	—	4,637	83,970	368,833	18,229	1,503,760,876
Related activity agency disbursements	(23,286,261)	—	(181,994)	—	(3,726)	—	(95,984)	—	—	(1,297,476,009)
External participation in investment fund receipts	196,444	—	—	—	—	—	—	—	—	26,098,700
External participation in investment fund disbursements	(3,294,771)	—	—	—	—	—	—	—	—	(16,204,870)
Proceeds from Hofmann Forest timber deed	—	—	—	—	—	—	—	—	—	76,976,007
Grants, aid, and subsidies	—	(274,581,502)	—	—	—	—	—	—	—	(274,581,502)
Receipts from UNC Health Care System for School of Medicine	—	—	—	—	—	—	—	—	—	50,128,276
Other receipts	3,550,270	—	—	—	11,668	—	—	—	7,001	7,930,453
Other payments	—	—	—	(173,377)	—	—	(558,939)	—	—	(1,210,774)
Grant to Union Square Campus, Inc.	—	—	—	—	—	—	—	—	—	(1,000,000)
Net Cash Provided by Noncapital Financing Activities	299,866,309	59,829,476	233,295,051	79,422,697	33,750,691	142,858,492	123,437,888	97,790,137	21,497,768	3,791,555,411

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Cash Flows from Capital Financing and Related Financing Activities									
Proceeds from capital debt	3,823,821	225,944,395	—	—	87,703,171	1,610,507	64,455,000	—	670,700,000
Capital appropriations	—	4,826,500	—	1,410,300	2,121,222	1,502,422	9,013,500	1,514,300	8,766,500
Capital grants	2,782,121	2,149,487	1,715,440	123,081	—	—	2,708,911	214,440	8,931,086
Capital gifts	62,000	242,400	—	—	938,503	—	3,780,267	—	—
Proceeds from sale of capital assets	1,520,324	826,550	2,787	7,654	—	—	381,741	—	—
Acquisition and construction									
of capital assets	(14,265,126)	(64,580,806)	(3,033,439)	(2,097,061)	(16,182,409)	(2,585,373)	(106,793,582)	(2,900,110)	(119,424,241)
Principal paid on capital debt and leases	(10,946,211)	(55,873,807)	(1,241,989)	(1,599,801)	(6,113,280)	(3,412,324)	(52,424,667)	(2,551,571)	(662,984,217)
Interest and fees paid									
on capital debt and leases	(7,246,771)	(9,844,401)	(2,101,294)	(3,136,722)	(2,381,029)	(3,509,867)	(16,765,396)	(2,225,120)	(64,132,031)
Federal interest subsidy on debt received	—	438,813	389,516	—	—	—	1,136,485	523,873	2,118,403
Other receipts	—	—	4,960	—	—	—	—	—	—
Other payments	—	(609,043)	—	—	—	—	(435,209)	—	—
Net Cash Provided (Used) by Capital Financing and Related Financing Activities	(24,269,842)	103,520,088	(4,264,019)	(5,292,549)	66,086,178	(6,394,635)	(94,942,950)	(5,424,188)	(156,024,500)
Cash Flows From Investing Activities									
Proceeds from sales									
and maturities of investments	2,488,236	5,329,474	4,896,342	452,170	17,734,033	8,207,737	58,594,886	793,407	3,209,128,700
Investment income	549,751	3,619,273	569,378	77,428	1,967,875	1,449,241	3,217,548	157,960	66,868,741
Investment in joint ventures	—	(3,986,840)	—	—	—	—	—	—	—
Purchase of investments and related fees	(6,935,600)	(1,754,505)	(5,563,186)	(2,032,228)	(17,140,651)	(6,064,256)	(41,055,157)	(76,287)	(3,300,272,582)
Change in obligations under reverse repurchase agreements	—	—	—	—	—	—	—	—	2,879,000
Net Cash Provided (Used) by Investing Activities	(3,897,613)	3,207,402	(97,466)	(1,502,630)	2,561,257	3,592,722	20,757,277	875,080	(21,396,141)
Net Increase (Decrease) in									
Cash and Cash Equivalents	7,266,532	190,253,211	569,233	3,537,001	88,324,874	8,764,338	171,749,312	943,995	58,834,236
Cash and cash equivalents - July 1	78,336,735	253,788,705	18,459,069	18,836,918	55,524,618	26,087,159	315,837,291	20,889,269	440,037,206
Cash and Cash Equivalents - June 30	\$ 85,603,267	\$ 444,041,916	\$ 19,028,302	\$ 22,373,919	\$ 143,849,492	\$ 34,851,497	\$ 487,586,603	\$ 21,833,264	\$ 498,871,442

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Cash Flows from Capital Financing and Related Financing Activities										
Proceeds from capital debt	2,500,000	305,747	3,607,158	4,610,000	—	6,846,011	20,461,258	—	—	1,092,567,068
Capital appropriations	3,453,900	1,075,000	3,292,800	1,609,173	1,714,471	2,119,200	2,751,000	—	5,410,300	50,580,588
Capital grants	73,142	—	733,951	775,160	1,530,807	1,201,905	119,779	163,894	—	23,223,204
Capital gifts	—	—	—	10,000	—	108,449	641,632	1,700,000	—	7,483,251
Proceeds from sale of capital assets	—	22,466	36,321	—	19,195	95,153	44,249	—	—	2,956,440
Acquisition and construction										
of capital assets	(80,679,032)	(2,246,363)	(56,576,209)	(5,805,320)	(3,274,200)	(14,817,063)	(9,775,326)	(19,088,320)	(821,639)	(524,945,619)
Principal paid on capital debt and leases	(15,373,867)	(19,145)	(10,498,952)	(4,429,609)	(1,260,811)	(8,219,468)	(3,919,604)	(3,660,107)	(28,552)	(844,557,982)
Interest and fees paid										
on capital debt and leases	(21,047,553)	(11,903)	(11,072,747)	(3,000,156)	(212,433)	(10,671,972)	(4,151,370)	(3,878,110)	(6,874)	(165,395,749)
Federal interest subsidy on debt received	1,900,454	—	—	372,227	—	697,046	—	—	—	7,576,817
Other receipts	—	—	—	—	—	396,575	—	—	—	401,535
Other payments	(88,936)	—	—	—	—	—	—	—	—	(1,133,188)
Net Cash Provided (Used) by Capital Financing and Related Financing Activities	(109,261,892)	(874,198)	(70,477,678)	(5,858,525)	(1,482,971)	(22,244,164)	6,171,618	(24,762,643)	4,553,235	(351,243,635)
Cash Flows From Investing Activities										
Proceeds from sales										
and maturities of investments	13,297,321	2,803,953	43,508,018	21,835,004	2,392,580	1,856,815	4,988,353	4,931,113	592,001	3,403,830,143
Investment income	2,170,852	488,125	3,272,120	599,229	257,322	3,915,763	2,033,087	257,464	9	91,471,166
Investment in joint ventures	—	—	—	—	—	—	—	—	—	(3,986,840)
Purchase of investments and related fees	(5,611,870)	(479,871)	(40,882,948)	(21,245,326)	(1,253,052)	(2,922,975)	(3,876,367)	(5,488,428)	—	(3,462,655,289)
Change in obligations under reverse repurchase agreements	—	—	—	—	—	—	—	—	—	2,879,000
Net Cash Provided (Used) by Investing Activities	9,856,303	2,812,207	5,897,190	1,188,907	1,396,850	2,849,603	3,145,073	(299,851)	592,010	31,538,180
Net Increase (Decrease) in										
Cash and Cash Equivalents	(7,716,422)	(6,386,634)	(17,756,750)	755,804	1,161,849	13,244,730	40,666,742	(14,248,896)	4,852,583	544,815,738
Cash and cash equivalents - July 1	328,352,239	38,687,300	162,696,142	19,596,246	26,906,332	132,804,535	85,500,280	36,556,046	1,381,228	2,060,277,318
Cash and Cash Equivalents - June 30	\$ 320,635,817	\$ 32,300,666	\$ 144,939,392	\$ 20,352,050	\$ 28,068,181	\$ 146,049,265	\$ 126,167,022	\$ 22,307,150	\$ 6,233,811	\$2,605,093,056

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities									
Operating loss	\$ (163,363,320)	\$ (295,441,689)	\$ (45,902,846)	\$ (78,883,242)	\$ (131,213,968)	\$ (107,729,777)	\$ (565,145,383)	\$ (49,455,297)	\$ (740,036,750)
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:									
Depreciation/ amortization expense	20,397,827	28,203,747	4,388,342	5,536,486	11,414,876	8,957,952	88,721,461	5,208,173	136,572,434
Allowance, write-offs, and amortizations	(40,296)	7,306	259,643	209,956	11,503	(1,260,346)	(74,969)	49,235	9,962,193
Miscellaneous pension adjustments	13,622	—	(136,608)	—	25,707	—	—	—	—
Pension expense	2,480,332	5,340,194	—	636,026	1,502,514	1,125,937	8,589,794	600,386	11,165,916
Nonoperating other income	1,148,203	—	—	—	—	—	—	—	—
Nonoperating other expenses	—	—	—	(81,180)	—	—	—	(174)	(50,505)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:									
Receivables, net	420,018	12,926,701	293,980	(421,568)	(1,183,213)	189,860	(6,154,997)	180,918	27,471,520
Due from primary government	—	—	—	—	—	—	5,240,017	—	—
Due from University component units	—	472,266	—	—	—	—	—	—	—
Due from State of NC component units	—	613,403	—	—	—	—	—	—	—
Student loan principal repayments	—	—	17,322	225,841	—	—	—	—	—
Student loans issued	—	—	—	(227,390)	—	—	—	—	—
Inventories	(91,966)	(427,993)	12,873	19,072	63,987	145,354	803,458	21,305	(3,999,903)
Notes receivable, net	(77,939)	100,660	—	—	25,918	8,510	1,242,743	24,608	(4,824,801)
Prepaid items	—	—	(219,412)	—	(538,541)	—	—	—	—
Other assets	(640,961)	(1,143,469)	—	—	—	—	—	—	(5,047,384)
Accounts payable and accrued liabilities	(613,006)	(1,732,820)	461,277	640,119	(2,143,967)	46,885	3,291,899	280,678	(132,323,885)
Due to primary government	(42,864)	(4,192)	(349,193)	(19,717)	(38,808)	(54,576)	102,068	978	(3,091,794)
Due to State of NC component units	—	—	—	—	—	—	(236,411)	—	—
Due to Federal agencies	—	—	—	—	—	(487)	—	—	—
Funds held for others	14,893	—	—	—	—	—	—	(34,580)	—
Unearned revenue	1,011,270	875,262	53,064	(62,093)	530,545	211,398	4,068,204	(104,509)	28,776,052
Deferred outflows for contributions subsequent to the measurement date	(7,811,944)	(17,651,244)	(1,559,433)	(2,881,773)	(5,873,785)	(4,840,399)	(28,562,190)	(1,617,947)	(42,133,165)
Government grants refundable	—	—	—	(77,641)	—	689,829	—	—	133,154
Compensated absences	(189,626)	(1,602,208)	(157,247)	(380,383)	(1,320,352)	(310,539)	(702,947)	61,349	(29,719,494)
Deposits payable	27,035	(46,544)	—	—	—	—	1,376,109	(252,158)	—
Net Cash Used by Operating Activities	<u>\$ (147,358,722)</u>	<u>\$ (269,510,620)</u>	<u>\$ (42,838,238)</u>	<u>\$ (75,767,487)</u>	<u>\$ (128,737,584)</u>	<u>\$ (102,820,399)</u>	<u>\$ (487,441,144)</u>	<u>\$ (45,037,035)</u>	<u>\$ (747,146,412)</u>

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities										
Operating loss	\$ (224,240,781)	\$ (67,132,123)	\$ (198,632,156)	\$ (76,037,094)	\$ (35,677,386)	\$ (118,522,470)	\$ (104,821,399)	\$ (92,361,990)	\$ (22,292,853)	\$ (3,116,890,524)
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:										
Depreciation/ amortization expense	27,998,426	3,125,151	19,757,741	5,682,880	3,996,419	11,903,744	8,712,921	7,660,896	1,238,515	399,477,991
Allowance, write-offs, and amortizations	2,145,854	—	61,370	442,308	—	15,927	(174,244)	88,087	—	11,703,527
Miscellaneous pension adjustments	44,391	18,802	7,389	2,427	(65,935)	4,961	4,453	7,192	—	(73,599)
Pension expense	2,729,431	461,116	1,314,859	580,123	336,008	1,114,203	1,395,467	947,227	328,629	40,648,162
Nonoperating other income	—	—	—	—	—	207,245	—	—	—	1,355,448
Nonoperating other expenses	(613,163)	(22,567)	—	—	—	—	1,349,331	—	(4,587)	577,155
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:										
Receivables, net	233,997	(2,406,786)	(1,093,567)	(872,255)	39,006	(579,260)	(194,855)	211,358	—	29,060,857
Due from primary government	—	—	—	—	—	9,479	4,219,164	—	—	9,468,660
Due from University component units	—	—	—	—	—	—	—	—	—	472,266
Due from State of NC component units	—	—	—	—	—	—	—	—	—	613,403
Student loan principal repayments	—	—	—	—	—	—	—	—	—	243,163
Student loans issued	—	—	—	—	—	—	—	—	—	(227,390)
Inventories	16,804	(7,206)	(35,930)	(1,119,292)	(9,384)	18,379	(30,930)	18,038	1,837	(4,601,497)
Notes receivable, net	136,173	—	(197,153)	(8,947)	(6,401)	(20,137)	(36,658)	21,013	—	(3,612,411)
Prepaid items	(6,662,588)	(1,076,927)	—	—	—	45,358	(56,862)	—	(131)	(8,509,103)
Other assets	—	—	—	—	—	—	—	—	—	(6,831,814)
Accounts payable and accrued liabilities	562,891	(45,873)	498,785	(385,007)	(297,356)	(1,329,074)	454,242	92,063	(237,645)	(132,779,794)
Due to primary government	—	(176)	(709)	—	(1,493)	—	3,008	(5,732)	—	(3,503,200)
Due to State of NC component units	—	—	—	—	—	—	—	—	—	(236,411)
Due to Federal agencies	—	—	—	—	—	—	—	—	—	(487)
Funds held for others	—	(345,104)	—	—	—	809,101	—	—	—	444,310
Unearned revenue	(1,133,705)	1,396,800	(118,188)	—	262,672	1,262,245	1,195,798	(22,599)	144,870	38,347,086
Deferred outflows for contributions subsequent to the measurement date	(9,331,667)	(1,791,837)	(6,794,463)	(2,332,649)	(1,122,087)	(4,904,056)	(4,098,372)	(3,225,708)	(933,177)	(147,465,896)
Government grants refundable	—	—	—	—	7,853	(922,064)	—	—	—	(168,869)
Compensated absences	(118,409)	(327,389)	(1,242,091)	66,797	35,363	664,745	(17,736)	(470,432)	(35,888)	(35,766,487)
Deposits payable	55,204	—	2,800	(16,566)	—	2,473	8,835	64,048	—	1,221,236
Net Cash Used by Operating Activities	<u>\$ (208,177,142)</u>	<u>\$ (68,154,119)</u>	<u>\$ (186,471,313)</u>	<u>\$ (73,997,275)</u>	<u>\$ (32,502,721)</u>	<u>\$ (110,219,201)</u>	<u>\$ (92,087,837)</u>	<u>\$ (86,976,539)</u>	<u>\$ (21,790,430)</u>	<u>\$ (2,927,034,218)</u>

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	Appalachian State University	East Carolina University	Elizabeth City State University	Fayetteville State University	North Carolina A&T University	North Carolina Central University	North Carolina State University	UNC Asheville	UNC Chapel Hill
Reconciliation of Cash and Cash Equivalents									
Current Assets:									
Cash and cash equivalents	\$ 72,261,141	\$ 226,647,830	\$ 8,764,775	\$ 10,251,489	\$ 54,239,486	\$ 23,922,587	\$ 209,752,180	\$ 18,675,668	\$ 37,135,456
Restricted cash and cash equivalents	6,057,862	41,642,320	3,423,564	6,385,729	16,983,220	7,801,053	101,792,199	1,544,699	320,927,017
Noncurrent Assets:									
Restricted cash and cash equivalents	7,284,264	175,751,766	6,839,963	5,736,701	72,626,786	3,127,857	176,042,224	1,612,897	140,808,969
Total Cash and Cash Equivalents - June 30	\$ 85,603,267	\$ 444,041,916	\$ 19,028,302	\$ 22,373,919	\$ 143,849,492	\$ 34,851,497	\$ 487,586,603	\$ 21,833,264	\$ 498,871,442

Noncash Investing, Capital, and Financing Activities

Assets acquired through the assumption of a liability	\$ 2,192,370	\$ 8,314,732	\$ —	\$ 213,824	\$ 2,521,683	\$ —	\$ 350,919	\$ 277,414	\$ —
Assets acquired through the assumption of a capital lease	—	—	—	—	—	603,788	—	—	—
Assets acquired through a gift	7,394,580	695,800	—	821,167	18,000	—	3,181,591	1,002,888	—
Assets acquired through a service contract	—	—	—	—	—	—	—	—	—
Change in fair value of investments	(1,081,427)	(3,012,413)	(576,546)	(192,461)	(1,266,235)	(919,948)	(3,415,953)	(519,678)	(118,084,394)
Reinvested distributions	(542,140)	—	—	—	1,180,315	—	—	—	—
Loss on investment in joint ventures	—	(3,245,859)	—	—	—	—	—	—	—
Loss on disposal of capital assets	(432,878)	(1,475,132)	(120,142)	(289,787)	(741,879)	(150,890)	(742,156)	—	(10,196,073)
Funds used to payoff notes payable	—	—	—	—	—	—	—	—	—
Bond issuance cost withheld	(70,004)	(2,412,392)	—	—	(298,210)	420,538	—	—	—
Funds escrowed to defease debt	26,593,165	43,498,260	—	—	5,081,350	59,864,443	—	—	—
Amortization of bond premiums/ discounts and deferred loss on refunding	(282,426)	832,238	—	30,958	221,742	(117,379)	(1,322,866)	45,236	(1,102,109)
Increase in receivables related to nonoperating income	1,141,905	—	—	—	—	—	—	—	—
Decrease in receivables related to nonoperating income	—	—	—	—	(1,611,481)	—	—	—	—
Payments made on behalf of the University	(8,571,797)	—	—	—	1,638,246	—	—	429,693	—
Amortization of other deferred inflow	—	—	—	—	—	—	—	—	—

Statement of Cash Flows

For the fiscal year ended June 30, 2016

	UNC Charlotte	UNC General Administration	UNC Greensboro	UNC Pembroke	UNC School of the Arts	UNC Wilmington	Western Carolina University	Winston-Salem State University	NC School of Science and Math	Total
Reconciliation of Cash and Cash Equivalents										
Current Assets:										
Cash and cash equivalents	\$ 233,403,635	\$ 8,072,903	\$ 105,535,829	\$ 10,747,860	\$ 21,475,922	\$ 116,886,777	\$ 83,896,597	\$ 9,961,564	\$ 373,989	\$ 1,252,005,688
Restricted cash and cash equivalents	23,613,255	20,604,864	28,731,445	2,616,229	3,639,123	18,438,230	16,512,588	5,741,957	194,872	626,650,226
Noncurrent Assets:										
Restricted cash and cash equivalents	63,618,927	3,622,899	10,672,118	6,987,961	2,953,136	10,724,258	25,757,837	6,603,629	5,664,950	726,437,142
Total Cash and Cash Equivalents - June 30	\$ 320,635,817	\$ 32,300,666	\$ 144,939,392	\$ 20,352,050	\$ 28,068,181	\$ 146,049,265	\$ 126,167,022	\$ 22,307,150	\$ 6,233,811	\$ 2,605,093,056

Noncash Investing, Capital, and Financing Activities

Assets acquired through the assumption of a liability	\$ —	\$ 20,472	\$ 583,580	\$ —	\$ 620,150	\$ —	\$ 2,150,589	\$ 1,642,262	\$ —	\$ 18,887,995
Assets acquired through the assumption of a capital lease	—	—	—	—	—	—	—	—	—	603,788
Assets acquired through a gift	4,793,085	—	260,983	—	231,372	1,240,414	260,174	—	—	19,900,054
Assets acquired through a service contract	—	—	—	—	—	1,416,649	—	—	—	1,416,649
Change in fair value of investments	1,435,565	(1,351,788)	(11,847,360)	(933,705)	(718,771)	(3,625,650)	(2,412,284)	(906,994)	—	(149,430,042)
Reinvested distributions	—	—	—	—	—	—	1,393,061	—	—	2,031,236
Loss on investment in joint ventures	—	—	—	—	—	—	—	—	—	(3,245,859)
Loss on disposal of capital assets	(1,230,632)	(63,710)	(4,093,279)	(63,595)	(27,847)	(494,981)	(799,162)	(88,087)	—	(21,010,230)
Funds used to payoff notes payable	—	—	9,446,803	—	—	—	—	—	—	9,446,803
Bond issuance cost withheld	—	—	200,250	—	—	—	(390,908)	—	—	(2,550,726)
Funds escrowed to defease debt	—	—	23,984,107	—	—	—	69,930,780	—	—	228,952,105
Amortization of bond premiums/ discounts and deferred loss on refunding	(1,289,298)	—	(2,255,832)	(3,106)	—	466,545	(168,904)	(24,795)	—	(4,969,996)
Increase in receivables related to nonoperating income	—	178,689	—	515,496	—	756,647	—	—	113,568	2,706,305
Decrease in receivables related to nonoperating income	—	—	—	—	—	—	(47,388)	—	—	(1,658,869)
Payments made on behalf of the University	—	—	—	—	—	—	(529,894)	—	—	(7,033,752)
Amortization of other deferred inflow	—	—	—	—	—	—	—	(49,695)	—	(49,695)

The University of North Carolina

**Reconciliation of the Statement of Net Position for
Individual UNC Campuses and General Administration to the Consolidated Statement**

June 30, 2016

	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,252,005,688	\$ —	\$ 1,252,005,688
Restricted cash and cash equivalents	626,650,226	—	626,650,226
Short-term investments	708,033,939	—	708,033,939
Restricted short-term investments	148,358,145	—	148,358,145
Receivables, net	519,841,509	—	519,841,509
Due from State of NC component units	29,432,977	—	29,432,977
Due from University component units	253,524	—	253,524
Due from primary government	8,298,542	—	8,298,542
Notes receivable, net	18,041,599	—	18,041,599
Inventories	58,906,150	—	58,906,150
Prepaid items	13,030,705	—	13,030,705
Other assets	11,089,943	—	11,089,943
<i>Total Current Assets</i>	<u>3,393,942,947</u>	<u>—</u>	<u>3,393,942,947</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	726,437,142	—	726,437,142
Receivables, Net	37,839,310	—	37,839,310
Endowment investments	2,695,315,427	—	2,695,315,427
Restricted investments	2,414,535,301	(1,009,660,429)	1,404,874,872
Other investments	149,300,743	—	149,300,743
Investment in joint venture	12,886,423	—	12,886,423
Cash surrender value of life insurance policies	58,761	—	58,761
Restricted due from primary government	334,009	—	334,009
Notes receivable, net	89,964,105	—	89,964,105
Prepaid items	1,867,696	—	1,867,696
Capital assets, nondepreciable	848,181,010	—	848,181,010
Capital assets, depreciable	10,400,152,904	—	10,400,152,904
<i>Total Noncurrent Assets</i>	<u>17,376,872,831</u>	<u>(1,009,660,429)</u>	<u>16,367,212,402</u>
Total Assets	<u>20,770,815,778</u>	<u>(1,009,660,429)</u>	<u>19,761,155,349</u>
Deferred Outflows of Resources			
Accumulated decrease in fair value of hedging derivatives	164,459,509	—	164,459,509
Deferred loss on refunding	49,579,249	—	49,579,249
Deferred outflows related to pensions	159,345,968	—	159,345,968
Total Deferred Outflows of Resources	<u>373,384,726</u>	<u>—</u>	<u>373,384,726</u>

The University of North Carolina

**Reconciliation of the Statement of Net Position for
Individual UNC Campuses and General Administration to the Consolidated Statement**

June 30, 2016	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	309,025,506	—	309,025,506
Due to State of NC component units	23,277,102	—	23,277,102
Due to primary government	7,917,440	—	7,917,440
Obligations under reverse repurchase agreements	15,255,000	—	15,255,000
Short-term debt	73,100,000	—	73,100,000
Interest payable	40,423,237	—	40,423,237
Deposits payable	9,539,421	—	9,539,421
Funds held for others	70,325,012	—	70,325,012
Unearned revenue	168,808,698	—	168,808,698
Long-term liabilities - current portion	261,229,436	—	261,229,436
<i>Total Current Liabilities</i>	<u>978,900,852</u>	<u>—</u>	<u>978,900,852</u>
Noncurrent Liabilities:			
Accounts payable and accrued liabilities	3,332,333	—	3,332,333
Hedging derivatives liability	164,459,509	—	164,459,509
Unearned revenue	75,436,487	—	75,436,487
Deposits payable	3,711,692	—	3,711,692
Funds held for others	58,683,349	—	58,683,349
Funds held in trust for pool participants	2,460,079,484	(1,009,660,429)	1,450,419,055
U.S. government grants refundable	79,831,311	—	79,831,311
Long-term liabilities - noncurrent portion	4,824,020,563	—	4,824,020,563
<i>Total Noncurrent Liabilities</i>	<u>7,669,554,728</u>	<u>(1,009,660,429)</u>	<u>6,659,894,299</u>
Total Liabilities	<u>8,648,455,580</u>	<u>(1,009,660,429)</u>	<u>7,638,795,151</u>
Deferred Inflows of Resources			
Deferred gain on refunding	167,549	—	167,549
Deferred inflows related to pensions	97,847,265	—	97,847,265
Deferred revenue, split interest trust agreements	161,046	—	161,046
Other deferred inflows	989,752	—	989,752
Total Deferred Inflows of Resources	<u>99,165,612</u>	<u>—</u>	<u>99,165,612</u>

The University of North Carolina

**Reconciliation of the Statement of Net Position for
Individual UNC Campuses and General Administration to the Consolidated Statement**

June 30, 2016	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Net Position			
Net investment in capital assets	7,142,960,717	—	7,142,960,717
Nonexpendable:			
Scholarships and fellowships	379,354,269	—	379,354,269
Research	23,478,564	—	23,478,564
Endowed professorships	644,803,443	—	644,803,443
Departmental uses	216,630,242	—	216,630,242
Loans	39,604,476	—	39,604,476
Art	1,521,282	—	1,521,282
Other	71,676,489	—	71,676,489
Expendable:			
Scholarships and fellowships	344,818,517	—	344,818,517
Research	35,715,761	—	35,715,761
Endowed professorships	571,605,406	—	571,605,406
Departmental uses	535,226,743	—	535,226,743
Loans	3,700,883	—	3,700,883
Capital projects	364,038,623	—	364,038,623
Debt service	131,363,519	—	131,363,519
Art	772,522	—	772,522
Other	77,700,868	—	77,700,868
Restricted for specific programs	1,006,818	—	1,006,818
Operations and maintenance	1,872,433	—	1,872,433
Unrestricted net position	1,808,727,737	—	1,808,727,737
Total Net Position	\$ 12,396,579,312	\$ —	\$ 12,396,579,312

The University of North Carolina

Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position for Individual UNC Campuses and General Administration to the Consolidated Statement

For the fiscal year ended June 30, 2016

	UNC Campuses and General Administration	Eliminations	Consolidated UNC Campuses and GA
Operating Revenues			
Student tuition & fees, net	\$ 1,668,614,717	\$ 247,559	\$ 1,668,862,276
Patient services, net	621,334,896	—	621,334,896
Federal appropriations	21,801,135	—	21,801,135
Federal grants and contracts	891,872,187	(245,573)	891,626,614
State and local grants and contracts	86,365,671	(1,643,493)	84,722,178
Nongovernmental grants and contracts	274,548,652	(59,000)	274,489,652
Sales and services, net	1,175,864,311	(535,153)	1,175,329,158
Interest earnings on loans	2,200,746	—	2,200,746
Other operating revenues, net	57,298,837	(641,434)	56,657,403
<i>Total Operating Revenues</i>	<u>4,799,901,152</u>	<u>(2,877,094)</u>	<u>4,797,024,058</u>
Operating Expenses			
Salaries and benefits	4,684,371,359	(33,646)	4,684,337,713
Supplies and materials	644,961,306	—	644,961,306
Services	1,571,113,421	(803,038)	1,570,310,383
Scholarships and fellowships	410,768,652	304,480	411,073,132
Utilities	206,098,947	—	206,098,947
Depreciation/ amortization	399,477,991	—	399,477,991
<i>Total Operating Expenses</i>	<u>7,916,791,676</u>	<u>(532,204)</u>	<u>7,916,259,472</u>
Operating Loss	<u>(3,116,890,524)</u>	<u>(2,344,890)</u>	<u>(3,119,235,414)</u>
Nonoperating Revenues/ (Expenses)			
State appropriations	2,733,406,486	—	2,733,406,486
Noncapital grants - student financial aid	437,040,941	(463,291)	436,577,650
Noncapital grants	226,513,303	(45,770,298)	180,743,005
Noncapital gifts, net	267,261,162	(456,718)	266,804,444
Interest and fees on debt	(164,561,036)	—	(164,561,036)
Investment income (loss)	(56,490,599)	—	(56,490,599)
Grants, aid and subsidies	(274,581,502)	56,558,339	(218,023,163)
Federal interest subsidy on debt	7,573,222	—	7,573,222
Other nonoperating revenues	29,201,094	(210,863)	28,990,231
Other nonoperating expenses	(19,884,253)	(110,279)	(19,994,532)
Grant to Union Square Campus, Inc.	(1,000,000)	—	(1,000,000)
<i>Total Nonoperating Revenues/ (Expenses)</i>	<u>3,184,478,818</u>	<u>9,546,890</u>	<u>3,194,025,708</u>
Income/(Loss) Before Transfers and Other Items	<u>67,588,294</u>	<u>7,202,000</u>	<u>74,790,294</u>
Capital appropriations	53,362,709	—	53,362,709
Capital grants	19,792,208	—	19,792,208
Capital gifts	24,512,686	—	24,512,686
Additions to endowments	46,480,368	(7,202,000)	39,278,368
Special item	1,234,725	—	1,234,725
Change in Net Position	<u>212,970,990</u>	<u>—</u>	<u>212,970,990</u>
Net position - July 1, as restated	<u>12,183,608,322</u>	<u>—</u>	<u>12,183,608,322</u>
Net Position - June 30	<u>\$ 12,396,579,312</u>	<u>\$ —</u>	<u>\$ 12,396,579,312</u>

The University of North Carolina

**Reconciliation of the Statement of Cash Flows for
Individual UNC Campuses and General Administration to the Consolidated Statement**

For the fiscal year ended June 30, 2016

	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Cash Flows From Operating Activities			
Received from customers	\$ 4,902,477,253	\$ —	\$ 4,902,477,253
Payments to employees and fringe benefits	(4,826,219,923)	—	(4,826,219,923)
Payments to vendors and suppliers	(2,564,534,358)	—	(2,564,534,358)
Payments for scholarships and fellowships	(410,871,800)	—	(410,871,800)
Loans issued	(14,181,593)	—	(14,181,593)
Collection of loans	14,811,653	—	14,811,653
Interest earned on loans	2,731,222	—	2,731,222
Student deposits received	6,910,143	—	6,910,143
Student deposits returned	(6,414,844)	—	(6,414,844)
Other receipts	27,012,604	—	27,012,604
Other payments	(58,754,575)	—	(58,754,575)
Net Cash Used by Operating Activities	(2,927,034,218)	—	(2,927,034,218)
Cash Flows From Noncapital Financing Activities			
State appropriations	2,733,406,486	—	2,733,406,486
Noncapital grants - student financial aid	436,922,704	—	436,922,704
Noncapital grants	229,544,325	—	229,544,325
Noncapital gifts	276,153,285	—	276,153,285
Additions to endowments	46,480,367	—	46,480,367
William D. Ford Direct Lending receipts	1,195,632,888	—	1,195,632,888
William D. Ford Direct Lending disbursements	(1,201,005,801)	—	(1,201,005,801)
Related activity agency receipts	1,503,760,876	—	1,503,760,876
Related activity agency disbursements	(1,297,476,009)	—	(1,297,476,009)
External participation in investment fund receipts	26,098,700	—	26,098,700
External participation in investment fund disbursements	(16,204,870)	—	(16,204,870)
Proceeds from Hofmann Forest timber deed	76,976,007	—	76,976,007
Grants, aid, and subsidies	(274,581,502)	—	(274,581,502)
Receipts from UNCHCS for School of Medicine	50,128,276	—	50,128,276
Other receipts	7,930,453	—	7,930,453
Other payments	(1,210,774)	—	(1,210,774)
Grant to Union Square Campus, Inc.	(1,000,000)	—	(1,000,000)
Net Cash Provided by Noncapital Financing Activities	3,791,555,411	—	3,791,555,411
Cash Flows from Capital Financing and Related Financing Activities			
Proceeds from capital debt	1,092,567,068	—	1,092,567,068
Capital appropriations	50,580,588	—	50,580,588
Capital grants	23,223,204	—	23,223,204
Capital gifts	7,483,251	—	7,483,251
Proceeds from sale of capital assets	2,956,440	—	2,956,440
Acquisition and construction of capital assets	(524,945,619)	—	(524,945,619)
Principal paid on capital debt and leases	(844,557,982)	—	(844,557,982)
Interest and fees paid on capital debt and leases	(165,395,749)	—	(165,395,749)
Federal interest subsidy on debt received	7,576,817	—	7,576,817
Other receipts	401,535	—	401,535
Other payments	(1,133,188)	—	(1,133,188)
Net Cash Used by Capital Financing and Related Financing Activities	(351,243,635)	—	(351,243,635)

The University of North Carolina

**Reconciliation of the Statement of Cash Flows for
Individual UNC Campuses and General Administration to the Consolidated Statement**

For the fiscal year ended June 30, 2016

	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Cash Flows From Investing Activities			
Proceeds from sales and maturities of investments	3,403,830,143	—	3,403,830,143
Investment income	91,471,166	—	91,471,166
Investment in joint ventures	(3,986,840)	—	(3,986,840)
Purchase of investments and related fees	(3,462,655,289)	—	(3,462,655,289)
Change in obligations under reverse repurchase agreements	2,879,000	—	2,879,000
Net Cash Provided by Investing Activities	31,538,180	—	31,538,180
Net Increase in Cash and Cash Equivalents	544,815,738	—	544,815,738
Cash and cash equivalents - July 1	2,060,277,318	—	2,060,277,318
Cash and Cash Equivalents - June 30	\$ 2,605,093,056	\$ —	\$ 2,605,093,056

The University of North Carolina

**Reconciliation of the Statement of Cash Flows for
Individual UNC Campuses and General Administration to the Consolidated Statement**

For the fiscal year ended June 30, 2016

	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities			
Operating loss	\$ (3,116,890,524)	\$ —	\$ (3,116,890,524)
Adjustments to reconcile operating income (loss) to provided (used) by operating activities:			
Depreciation/ amortization expense	399,477,991	—	399,477,991
Allowance, write-offs, and amortizations	11,703,527	—	11,703,527
Miscellaneous pension adjustments	(73,599)	—	(73,599)
Pension expense	40,648,162	—	40,648,162
Nonoperating other income	1,355,448	—	1,355,448
Nonoperating other expenses	577,155	—	577,155
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Receivables, net	29,060,857	—	29,060,857
Due from primary government	9,468,660	—	9,468,660
Due from University component units	472,266	—	472,266
Due from State of NC component units	613,403	—	613,403
Student loan principal repayments	243,163	—	243,163
Student loans issued	(227,390)	—	(227,390)
Inventories	(4,601,497)	—	(4,601,497)
Notes receivable, net	(3,612,411)	—	(3,612,411)
Prepaid items	(8,509,103)	—	(8,509,103)
Other assets	(6,831,814)	—	(6,831,814)
Accounts payable and accrued liabilities	(132,779,794)	—	(132,779,794)
Due to primary government	(3,503,200)	—	(3,503,200)
Due to State of NC component units	(236,411)	—	(236,411)
Due to Federal agencies	(487)	—	(487)
Funds held for others	444,310	—	444,310
Unearned revenue	38,347,086	—	38,347,086
Deferred outflows for contributions subsequent to the measurement date	(147,465,896)	—	(147,465,896)
Government grants refundable	(168,869)	—	(168,869)
Compensated absences	(35,766,487)	—	(35,766,487)
Deposits payable	1,221,236	—	1,221,236
Net Cash Used by Operating Activities	\$ (2,927,034,218)	\$ —	\$ (2,927,034,218)
Reconciliation of Cash and Cash Equivalents			
Current Assets:			
Cash and cash equivalents	\$ 1,252,005,688	\$ —	\$ 1,252,005,688
Restricted cash and cash equivalents	626,650,226	—	626,650,226
Noncurrent Assets:			
Restricted cash and cash equivalents	726,437,142	—	726,437,142
Total Cash and Cash Equivalents – June 30	\$ 2,605,093,056	\$ —	\$ 2,605,093,056

The University of North Carolina

**Reconciliation of the Statement of Cash Flows for
Individual UNC Campuses and General Administration to the Consolidated Statement**

For the fiscal year ended June 30, 2016

	Total of UNC Campuses and GA	Eliminations	Consolidated UNC Campuses and GA
Noncash Investing, Capital, and Financing Activities			
Assets acquired through the assumption of a liability	\$ 18,887,995	\$ —	\$ 18,887,995
Assets acquired through the assumption of a capital lease	603,788	—	603,788
Assets acquired through a gift	19,900,054	—	19,900,054
Assets acquired through a service contract	1,416,649	—	1,416,649
Change in fair value of investments	(149,430,042)	—	(149,430,042)
Reinvested distributions	2,031,236	—	2,031,236
Loss on investment in joint ventures	(3,245,859)	—	(3,245,859)
Loss on disposal of capital assets	(21,010,230)	—	(21,010,230)
Funds used to payoff notes payable	9,446,803	—	9,446,803
Bond issuance cost withheld	(2,550,726)	—	(2,550,726)
Funds escrowed to defease debt	228,952,105	—	228,952,105
Amortization of bond premiums/ discounts and deferred loss on refunding	(4,969,996)	—	(4,969,996)
Increase in receivables related to nonoperating income	2,706,305	—	2,706,305
Decrease in receivables related to nonoperating income	(1,658,869)	—	(1,658,869)
Payments made on behalf of the University	(7,033,752)	—	(7,033,752)
Amortization of other deferred inflow	(49,695)	—	(49,695)

Caption Variances

Certain captions vary from institution to institution. Certain common captions have been combined for presentation in the consolidated financial statements. All receivable captions have been combined and are presented as Receivables, net. Also, several universities use various captions for prepaid items. All references to prepaid assets, prepaid expense, prepaid insurance, and prepaid bond insurance are shown under the caption prepaid items. The following is a list of other captions that are presented with a different title in the consolidated University statements.

UNC Hospitals at Chapel Hill

Net patient service revenue

Contracted services

Communications, utilities, and travel

UNC Consolidation

Patent services, net

Services

Utilities

Glossary

Instruction - A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and extension sessions. Also includes expenses for both credit and non-credit activities. Excludes expenses for academic administration where the primary function is administration (e.g., academic deans).

Research - A functional expense category that includes expenses for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers, and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs).

Public service - A functional expense category that includes expenses for activities established primarily to provide noninstructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory service, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services, and public broadcasting services.

Academic support - A functional expense category that includes expenses of activities and services that support the institution's primary missions of instruction, research, and public service. It includes the retention, preservation, and display of educational materials (for example, libraries, museums, and galleries); organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program); media such as audiovisual services; academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses.

Student services - A functional expense category that includes expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal administration, and student records. Intercollegiate athletics and student health services may also be included except when operated as self-supporting auxiliary enterprises.

Institutional support - A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development.

Glossary (cont.)

Operation and maintenance of plant - A functional expense category that includes expenses for operations established to provide service and maintenance related to campus grounds and facilities used for educational and general purposes. Specific expenses include utilities, fire protection, property insurance, and similar items. This function does include amounts charged to auxiliary enterprises, hospitals, and independent operations.

Student financial aid - Outright grants-in-aid, trainee stipends, tuition and fee waivers, and prizes awarded to students by the institution, including Pell grants. Awards to undergraduate students are most commonly referred to as "scholarships" and those to graduate students as "fellowships." These awards do not require the performance of services while a student (such as teaching) or subsequently as a result of the scholarship or fellowship. The term does not include loans to students (subject to repayment), College Work-Study Program (CWS), or awards granted to a parent of a student because of the parent's faculty or staff status. Also not included are awards to students where the selection of the student recipient is not made by the institution.

Auxiliary enterprises - Expenses for essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics (only if essentially self-supporting), college unions, college stores, faculty and staff parking, and faculty housing.

Independent operations - Expenses associated with operations that are independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service) although they may contribute indirectly to the enhancement of these programs. This category is generally limited to expenses of a major federally funded research and development center. Expenses of operations owned and managed as investments of the institution's endowment funds are excluded.

Depreciation - The allocation or distribution of the cost of capital assets, less any salvage value, to expenses over the estimated useful life of the asset in a systematic and rational manner. Depreciation for the year is the amount of the allocation or distribution for the year involved.

Hospital services - Expenses associated with a hospital operated by the postsecondary institution (but not as a component unit) and reported as a part of the institution. This classification includes nursing expenses, other professional services, general services, administrative services, and fiscal services.

Report on Facilities and Administrative (F&A) Receipts



**The University of North Carolina
Board of Governors**

March 2017

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**UNC Report on Overhead Receipts
[Facilities and Administrative (F&A) Receipts]
2015-16**

Legislation enacted by the 2013 General Assembly (S.L. 2013-360) included the following special provision directing the Board of Governors to report annually on the amount and uses of facilities and administrative receipts:

UNC BOARD OF GOVERNORS REPORT ON OVERHEAD RECEIPTS

SECTION 11.6.(a) G.S. 116-11 is amended by adding a new subdivision to read: “(9a) The Board of Governors shall report to the Joint Legislative Education Oversight Committee and the Office of State Budget and Management by March 1 of each year regarding the sum of facilities and administrative fees and overhead receipts for The University of North Carolina that are collected and expended by each constituent institution. The report shall include all of the following information:

- a) The collection of facilities and administrative fees and overhead receipts by grant or program.
- b) The use of facilities and administrative fees and overhead receipts showing expenditures by grant or program.
- c) The sum of facilities and administrative fees and overhead receipts collected or expended by each constituent institution for maintenance and operation of facilities that were constructed with or at any time operated by funds from the General Fund.”

In response to that legislation, this report covers the state fiscal year ending June 30, 2016.

Background

The University of North Carolina serves the state's interests through a three-part mission of teaching, research, and public service. UNC's reputation as one of the nation's top public university systems has been built, in part, on the volume and quality of research and sponsored programs conducted by its faculty. With limited direct state appropriations for research, the University has depended heavily on obtaining competitive grants and contracts to support research efforts.

In recent decades, the federal government has increased efforts to promote scientific research at United States universities, as well as research conducted by federal, nonprofit, and commercial laboratories. Recognizing that research carries necessary administrative, facilities, and other expenses above and beyond the direct costs of the project, federal agencies have included in research grants and contracts a portion of funds to help offset these related costs – commonly called “indirect costs,” “overhead receipts,” or “facilities and administrative (F&A) receipts.” In keeping with current federal reporting practices, the term “facilities and administrative (F&A) receipts” is used for the remainder of this report.

Under federal OMB Circulars, facilities and administrative receipts generally reimburse for costs associated with supporting grants and contracts activities of the institution in a manner

consistent with the formulae under which the funds were recovered. Internal university controls pertaining to the compliance requirements for sponsored project expenditures under OMB Circular A-133 are designed to provide reasonable assurance regarding the achievement of the following objectives:

1. Transactions are properly recorded and accounted for in order to permit preparation of reliable financial statements and reports and maintain accountability over assets.
2. Transactions are executed in compliance with laws, regulations and provisions of federal and state laws and in accordance with sponsored agreement terms.
3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Research and other sponsored program awards to the 16 UNC campuses and the North Carolina School of Science and Mathematics totaled nearly \$1.51 billion for FY 2015-16. For the year, about three-quarters of research and sponsored program awards come from federal sources, with about 20% from private industry and nonprofit organizations, while State and local governments provide about 3% of the receipts. Every \$1 million of research supports a total of thirty-six jobs. That does not take into account the economic impact of inventions, patents, or spin-off companies started by University researchers.

Grants and contracts support thousands of individual projects that improve human health, understanding of the natural world, education, national defense, and other areas critical to the nation and state. Not only do grants and contracts support leading-edge science and public service, but these funds are also used to support the state's workforce. Grants and contracts support salaries for faculty, post-doctoral fellows, staff, graduate assistants, and undergraduate researchers, all of whom keep the University of North Carolina in the forefront of regional economic development and training.

In 2015-16, UNC earned a total of \$243.9 million in facilities and administrative receipts. F&A receipts were expended by each campus to support costs associated with maintaining an environment conducive to conducting research and scholarly advancement and ensuring competitiveness for attracting additional research funds. In 2015-16, UNC expended a total of \$281.8 million of these facilities and administrative receipts. It is important to note that F&A receipts and expenditures for a given year are often not the same due to timing differences between receipts and expenditures and planning F&A receipt supported projects.

UNC institutions also expended \$56 million of F&A receipts to operate or maintain facilities constructed with or operated by general fund appropriations.

Amount of Facilities and Administrative Receipts

University-wide, a total of \$243.9 million was earned in facilities and administrative receipts during the 2015-16 fiscal year. Consistent with their research missions, the two major research universities, North Carolina State University (20.2%) and UNC Chapel Hill (68.3 %), accounted for 88.5% of the University-wide total. Receipts for seven institutions – Appalachian State University, East Carolina University, North Carolina A & T State University, North Carolina Central University, UNC Charlotte, UNC Greensboro, and UNC Wilmington accounted for most of the remaining F&A receipts. Research has increased at these seven campuses, which has translated into increased facilities and administrative receipts.

Uses of Facilities and Administrative Receipts

Facilities and Administrative receipts are expended in a manner consistent with the earning rates negotiated with the federal government to recover a part of the actual costs of conducting federally sponsored research that are otherwise not reimbursable from grants and contracts.

The principal priorities for programmatic expenditures were designed to:

- maintain and expand research infrastructure
- provide matching funds/cost-sharing for external grants
- support research-related administrative functions
- encourage new research activity
- foster research/creative activity in the classroom
- provide for research support and assistantships
- promote grantsmanship education
- fund faculty "start-up" packages (support staff, laboratory facilities, equipment, and operating expenses)
- sustain academic programs, including the libraries
- provide for capital improvements and debt service
- support strategic initiatives
- provide scientific equipment

APPENDIX R

Each of the campuses also reported on the purpose of its expenditure priorities for the year in one of the twelve following programs:

Program	Expenditures
Institutional Support	\$ 92,069,230
Organized Research	57,171,378
Physical Plant	50,154,180
Regular Term Instruction	47,018,629
General Academic Support	45,155,603
Multi-Activity (Transfers to Capital)	25,795,287
Libraries	8,698,765
Student Services	1,243,060
NCSU Veterinary Medicine	723,098
Community Services	391,614
Student Financial Aid	350,558
School of Government	4,434
<i>Total</i>	328,775,836
Multi-Activity (Transfers from Capital)	(46,932,262)
Total	\$ 281,843,574

In addition to the programmatic summary, each institution also provided an accounting of how F&A receipts were spent in FY 2015-16. Across the system, expenditures and percentages of each were categorized as follows:

Expenditures	Amount	Percent of Total
Personal Services	\$ 96,463,052	34%
Purchased Services	82,533,685	29%
R&R Construction Debt Service	37,514,553	14%
Property, Plant & Equipment	23,131,251	8%
Supplies	22,372,366	8%
Other Expenses & Adjustments	16,268,401	6%
Aids & Public Assistance	3,560,266	1%
Total	\$ 281,843,574	100%

Expenditures by UNC Chapel Hill and North Carolina State University account for 88.5% of the total F&A expenditures. The University as a whole spent more F&A receipts than were brought in during 2015-16 reducing the F&A fund balance by just under \$38.0 million. System-wide F&A receipts supported approximately \$105.5 million of fund balance on June 30, 2016. UNC-CH accounted for 7% of this total or \$7.9 million; for UNC-CH this represents a decrease in fund balance from June 30, 2015 of \$10.4 million. Since the beginning of fiscal year 2016, UNC-CH has allocated this balance to the following major projects:

- Mary Ellen Jones Renovation (Capital Transfer Back) - Negative \$47 million
- Research Facilities/ R&R - \$25 million

In addition each campus has highlighted its major F&A expenditures for the year:

Appalachian State University

- ◆ Personnel necessary to carry out the research and sponsored programs mission (3.5 FTE Pre-Award, 3.5 FTE Post-Award, and other essential personnel).
- ◆ Supplies, software, equipment, memberships, and maintenance agreements on equipment used for research.

East Carolina University

- ◆ Fund direct costs related to research activities, such as: safety, regulatory compliance, hazardous waste disposal, business services, and information technology.
- ◆ Provide funds for strategic research program enhancement as directed by senior leadership on campus.
- ◆ Renovate and outfit research facilities, purchase and maintain research equipment, and to provide start-up funds for new faculty.

Elizabeth City State University

- ◆ Fund contracts and grants positions.
- ◆ Provide seminars and training workshops for faculty and staff to enhance proposal writing and grants management skills.
- ◆ Support research management tool and management of federally mandated research compliance.
- ◆ Critical and/or emergency needs identified by the Chancellor.

Fayetteville State University

- ◆ Support indirect grant administration overhead.
- ◆ Provide grant writing workshops and seminars to promote and encourage faculty and staff to apply for new grants.
- ◆ Fund e-procurement and e-payment business innovation initiatives.
- ◆ Fund single audit cost with State Auditor costs for federal programs.

North Carolina Agricultural and Technical State University

- ◆ Provide research services for workshops, training classes for faculty and graduate students on grant writing, budget preparation and management, research opportunities, and research compliance.
- ◆ Support for patent protection, outreach, and economic development related to research.
- ◆ Production of research communications materials and promotion through social media.
- ◆ Support of pre-award and post-award research administration functions for sponsored activities.

North Carolina Central University

- ◆ Provide support for research infrastructure, including but not limited to personnel, research databases, compliance tools, workshops, and maintenance of scientific equipment.
- ◆ Provide training for personnel on budget development.
- ◆ Support for protection of university intellectual property and research related economic development initiatives.
- ◆ Provide seed funding for further grant and proposal submissions which will spur research activities.

North Carolina State University

- ◆ Acquire specialized research equipment and provide operational support for shared research facilities and in support of faculty recruitments and retentions.
- ◆ Provide operational support for research units and research training programs.
- ◆ Fund building repairs and renovations necessary to support research activities.
- ◆ Invest to support research administration and regulatory compliance as well as to stimulate new research programs.

The University of North Carolina at Asheville

- ◆ Fund 2.25 FTE of pre- and post-award staff to support faculty and staff activities for the procurement, administration, and compliance of externally funded projects.
- ◆ Provide campus research infrastructure support and equipment maintenance.
- ◆ Provide a limited re-distribution of F&A receipts to qualifying departments to advance further research and programming initiatives.

The University of North Carolina at Chapel Hill

- ◆ Fund major repair and renovation projects for research facilities.
- ◆ Fund the centralized research administration operation to ensure quality research and compliance with award terms and conditions.
- ◆ Support strategic initiatives, faculty start-ups and research computing.

The University of North Carolina at Charlotte

- ◆ Debt service for the Partnership, Outreach, and Research to Accelerate Learning (PORTAL) facility, a premier workspace and innovation center for regional and global business pioneers. PORTAL is the University of North Carolina at Charlotte's latest commitment to industry-university partnership designed to spur business growth and job creation, promote research and innovation, and support the entrepreneurial ecosystem in the Charlotte region.
- ◆ Capital improvements and infrastructure, including a renovation of Belk Gym which includes enhanced classroom space, teaching laboratory space, aquatics facility, and a state of the art health risk assessment laboratory.

The University of North Carolina at Greensboro

- ◆ Fund direct labor costs related to research/contract and foundation proposal and award management, undergraduate and graduate student support, safety, and regulatory compliance.
- ◆ Fund direct labor costs related to local and state requests for economic and community development assistance including commercialization and technology transfer.
- ◆ Renovate and up-fit facilities in order to accommodate grant/contract facilities' requirements, operation and maintenance of lab facilities, and library expenses related to research.
- ◆ Fund faculty and key research staff positions.

The University of North Carolina at Pembroke

- ◆ Fund 2 FTE of staff positions in the Office of Sponsored Research to assist faculty and staff in proposal development, preparation, and submission.
- ◆ Provide on campus grants workshops, databases and search tools.

The University of North Carolina School of the Arts

UNCSA had no F&A receipts or expenditures in 2015-16.

The University of North Carolina at Wilmington

- ◆ Support costs associated with maintaining an environment conducive to conducting research and scholarly advancement.
- ◆ Maintain and provide capital improvements and debt service for research infrastructure.
- ◆ Support research-related administrative functions.
- ◆ Foster research/creative activity in the classroom.

Western Carolina University

- ◆ Pay salaries and other operating expenses associated with research activities.
- ◆ Support research related professional development for faculty.

Winston-Salem State University

- ◆ Support faculty professional development.
- ◆ Provide assistance with leasing a space for the Center for Community Safety and Health Disparities unit.
- ◆ Provide assistance with start-up costs to support a new grant funded initiatives.

North Carolina School of Science and Mathematics

NCSSM had no F&A receipts or expenditures in 2015-16.

The University of North Carolina General Administration

- ◆ Provide related compliance infrastructure, including Director of Sponsored Programs and accountant position, to administer Uniform Guidance (2 CFR Part 200) compliance standards.
- ◆ Support nominal F&A costs for sponsored programs not funded in the grant proposals, e.g., compliance systems/services, information technology support and supplies.

Conclusion

Facilities and Administrative receipts are expended to support costs associated with maintaining an environment conducive to research and scholarly advancement and ensuring competitiveness for attracting additional research funds. Specifically, these funds support the staff and operating costs for research functions, audit and compliance related to grants and contracts, facilities and equipment repairs and maintenance, debt service for facilities that provide research space, maintenance and operation of the physical plant and offices that provide support to the universities' research endeavors, and investment in the libraries to maintain current research related collections and services. F&A funds are increasingly important as University research is a critical and growing economic driver for the State of North Carolina.

University of North Carolina
2015-16 Facilities and Administration Receipts
Summary

Institution Name	F&A Receipts			
	Federal	State	Other	Total Receipts
Appalachian State University	\$ 717,237	\$ 198,573	\$ 303,777	\$ 1,219,587
East Carolina University	3,580,745	251,360	1,177,746	5,009,851
Elizabeth City State University	128,647	18,072	-	146,719
Fayetteville State University	489,444	16,127	173,548	679,119
North Carolina Agricultural and Technical State University	3,790,942	12,087	78,688	3,881,717
North Carolina Central University	2,087,852	66,429	195,104	2,349,385
North Carolina State University	29,607,079	3,031,084	16,566,091	49,204,254
University of North Carolina at Asheville	311,924	18,536	23,779	354,239
University of North Carolina at Chapel Hill	127,218,385	2,361,105	36,938,607	166,518,097
University of North Carolina at Charlotte	5,563,663	404,221	1,522,979	7,490,863
University of North Carolina at Greensboro	3,992,455	129,536	187,373	4,309,364
University of North Carolina at Pembroke	396,600	-	-	396,600
University of North Carolina at Wilmington	1,092,236	98,001	183,672	1,373,909
Western Carolina University	375,517	34,068	37,863	447,448
Winston-Salem State University	226,781	5,898	19,996	252,675
University of North Carolina School of the Arts	-	-	-	-
North Carolina School of Science and Mathematics	-	-	-	-
University of North Carolina General Administration	173,479	7,562	39,419	220,460
Total	\$ 179,752,986	\$ 6,652,659	\$ 57,448,642	\$ 243,854,287

University of North Carolina
2015-16 Facilities and Administration Receipts
Summary

Institution Name	F&A Expenditures						
	Community Services	Extention Instruction	General Academic Support	Institutional Support	Libraries	Multi-Activity	NCSU Veterinary Medicine
Appalachian State University	\$ -	\$ -	\$ 1,006,008	\$ 129,322	\$ -	\$ -	\$ -
East Carolina University	-	-	-	-	-	-	-
Elizabeth City State University	-	-	16,961	412,977	-	-	-
Fayetteville State University	53,576	-	61,836	119,688	-	-	-
North Carolina Agricultural and Technical State University	5,171	-	1,276,426	669,468	-	-	-
North Carolina Central University	-	-	-	415,664	-	-	-
North Carolina State University	273,241	-	2,172,165	17,456,301	1,259,826	-	723,098
University of North Carolina at Asheville	-	-	-	187,141	-	-	-
University of North Carolina at Chapel Hill	-	-	30,201,629	71,583,577	7,437,809	(21,265,413)	-
University of North Carolina at Charlotte	-	-	5,946,159	(12,880)	-	-	-
University of North Carolina at Greensboro	-	-	3,657,556	397,596	-	-	-
University of North Carolina at Pembroke	27,604	-	103,360	11,184	-	-	-
University of North Carolina at Wilmington	-	-	641,132	348,795	-	-	-
Western Carolina University	12,442	-	33,853	838	1,130	128,438	-
Winston-Salem State University	19,580	-	38,518	20,263	-	-	-
University of North Carolina School of the Arts	-	-	-	-	-	-	-
North Carolina School of Science and Mathematics	-	-	-	-	-	-	-
University of North Carolina General Administration	-	-	-	329,296	-	-	-
Total	\$ 391,614	\$ -	\$ 45,155,603	\$ 92,069,230	\$ 8,698,765	\$ (21,136,975)	\$ 723,098

University of North Carolina
2015-16 Facilities and Administration Receipts
Summary

Institution Name	F&A Expenditures (continued)							
	Organized Research	Other Auxiliary Operation	Physical Plant	Regular Term Instruction	School of Government	Student Financial Aid	Student Services	Total Expenses
Appalachian State University	\$ 21,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,156,630
East Carolina University	5,130,082	-	-	-	-	-	-	5,130,082
Elizabeth City State University	-	-	-	-	-	-	-	429,938
Fayetteville State University	103,506	-	-	15,423	-	-	-	354,029
North Carolina Agricultural and Technical State University	1,096,651	-	-	115,864	-	-	-	3,163,580
North Carolina Central University	505,584	-	-	979,662	-	-	2,224	1,903,134
North Carolina State University	16,175,438	-	34,354,691	6,440,914	-	108,000	87,675	79,051,349
University of North Carolina at Asheville	-	-	-	167,098	-	-	-	354,239
University of North Carolina at Chapel Hill	33,760,622	-	15,703,697	38,327,665	4,434	92,548	1,106,523	176,953,091
University of North Carolina at Charlotte	-	-	-	-	-	-	-	5,933,279
University of North Carolina at Greensboro	-	-	12,594	-	-	-	-	4,067,746
University of North Carolina at Pembroke	-	-	-	26,325	-	-	-	168,473
University of North Carolina at Wilmington	270,137	-	83,198	-	-	150,010	-	1,493,272
Western Carolina University	21,108	-	-	533,707	-	-	29,985	761,501
Winston-Salem State University	86,950	-	-	411,971	-	-	16,653	593,935
University of North Carolina School of the Arts	-	-	-	-	-	-	-	-
North Carolina School of Science and Mathematics	-	-	-	-	-	-	-	-
University of North Carolina General Administration	-	-	-	-	-	-	-	329,296
Total	\$ 57,171,378	\$ -	\$ 50,154,180	\$ 47,018,629	\$ 4,434	\$ 350,558	\$ 1,243,060	\$ 281,843,574

University of North Carolina
2015-16 Facilities and Administration Receipts
Summary

Institution Name	Change in F&A Fund Balance			
	Receipts Total	Expenditures Total	Change in Balance	2015-16 Ending Balance
Appalachian State University	\$ 1,219,587	\$ 1,156,630	\$ 62,957	\$ 1,413,922
East Carolina University	5,009,851	5,130,082	(120,231)	9,740,919
Elizabeth City State University	146,719	429,938	(283,219)	309,902
Fayetteville State University	679,119	354,029	325,090	536,172
North Carolina Agricultural and Technical State University	3,881,717	3,163,580	718,137	2,268,550
North Carolina Central University	2,349,385	1,903,134	446,251	2,928,822
North Carolina State University	49,204,254	79,051,349	(29,847,095)	39,365,802
University of North Carolina at Asheville	354,239	354,239	-	26,026
University of North Carolina at Chapel Hill	166,518,097	176,953,091	(10,434,994)	7,884,436
University of North Carolina at Charlotte	7,490,863	5,933,279	1,557,584	25,704,859
University of North Carolina at Greensboro	4,309,364	4,067,746	241,618	8,504,957
University of North Carolina at Pembroke	396,600	168,473	228,127	535,631
University of North Carolina at Wilmington	1,373,909	1,493,272	(119,363)	2,160,930
Western Carolina University	447,448	761,501	(314,053)	1,542,731
Winston-Salem State University	252,675	593,935	(341,260)	1,622,244
University of North Carolina School of the Arts	-	-	-	-
North Carolina School of Science and Mathematics	-	-	-	-
University of North Carolina General Administration	220,460	329,296	(108,836)	918,136
Total	\$ 243,854,287	\$ 281,843,574	\$ (37,989,287)	\$ 105,464,039



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EXECUTIVE PERFORMANCE INCENTIVE COMPENSATION PROGRAM

THE UNIVERSITY OF NORTH CAROLINA PRESIDENT

The President's employment contract requires the Board of Governors to establish a performance incentive program that allows the President to earn annual compensation in addition to base salary upon the President's achievement of specific annual performance objectives.

The Presidential Assessment Committee of the Board of Governors conducts annual evaluations of the President's performance.

Accordingly, the Board of Governors has approved an incentive program with the following parameters:

- The Presidential Assessment Committee will establish performance goals annually in consultation with the President.
- The performance goals will be grouped into broad categories relevant to the University of North Carolina's strategic plan and priorities.
- The annual performance periods will coincide with each year of the President's employment contract, which begins in March and ends in February.
- Performance goals shall be established, adjusted, and finalized in March of each year and communicated in writing to the President, with the exception of the performance goals for the President's second year of employment, which will be approved in May of 2017.
- The Board has authorized and approved an annual incentive award up to a maximum of \$125,000, based on achievement of performance goals to be established by the Presidential Assessment Committee.
- The Executive Performance Incentive Compensation Program provides that the Committee on Personnel and Tenure may allocate up to 50% of an annual incentive award to a qualified retirement plan, with a vesting date of February 2021, in order to incentivize retention.
- Based on the Board's assessment of the President's excellent performance in her first year of service, including her skill in leading the development of a new strategic plan and other performance considerations, the Board has authorized an incentive award payment of \$90,000 for 2016-2017.
- The performance award in years two (2) through five (5) of the President's contract will be based on an assessment of the President's achievement of specific performance goals as approved by the Presidential Assessment Committee.
- Awards will be adjusted relative to this target amount to reflect the President's actual success in attaining specific performance goals.
- The earned award is to be paid by May 31 of each year.

The Board of Governors has the right in its discretion to amend the Incentive Program or to suspend it for a specified period or to terminate it entirely, or any portion thereof.