

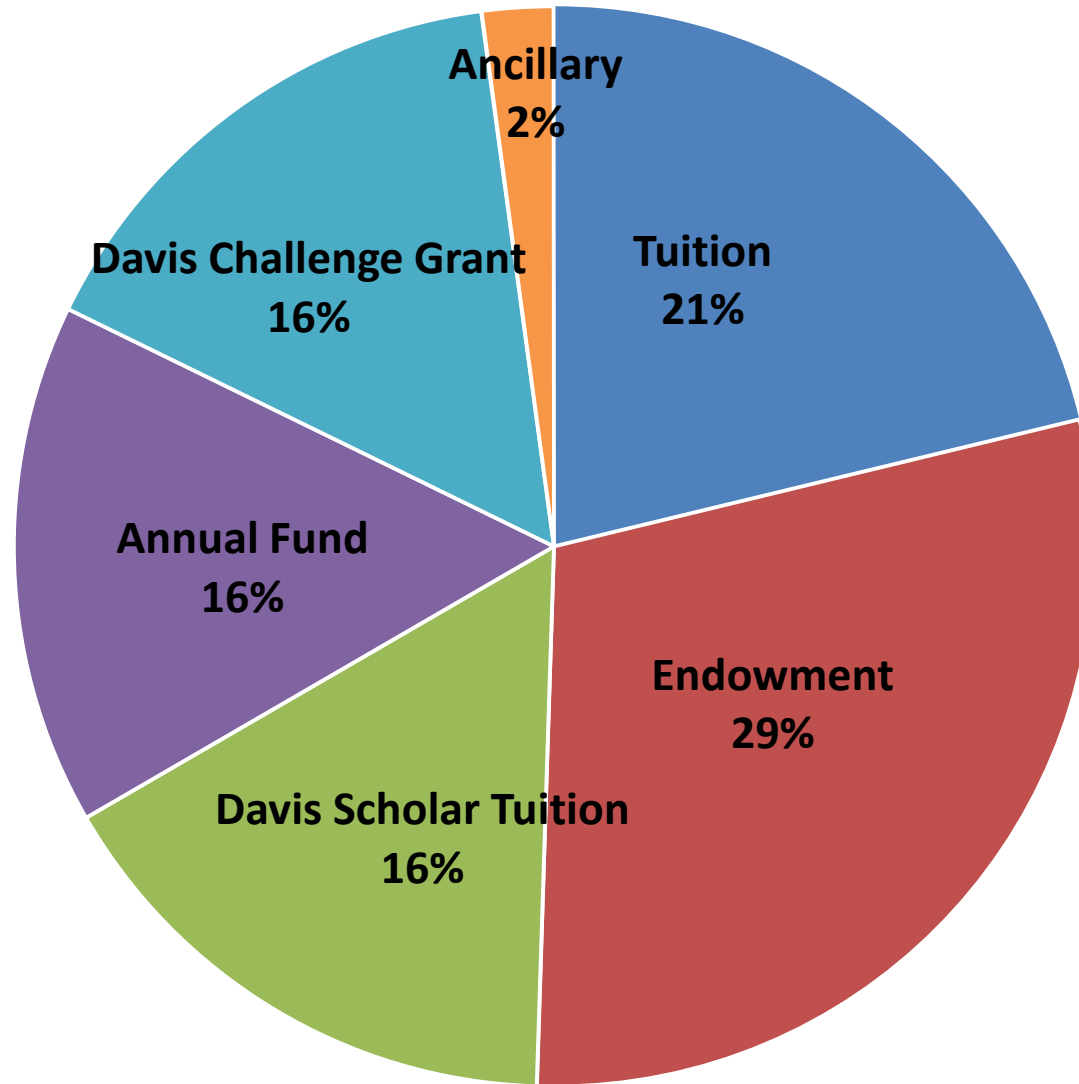


# **Finance and Operations**

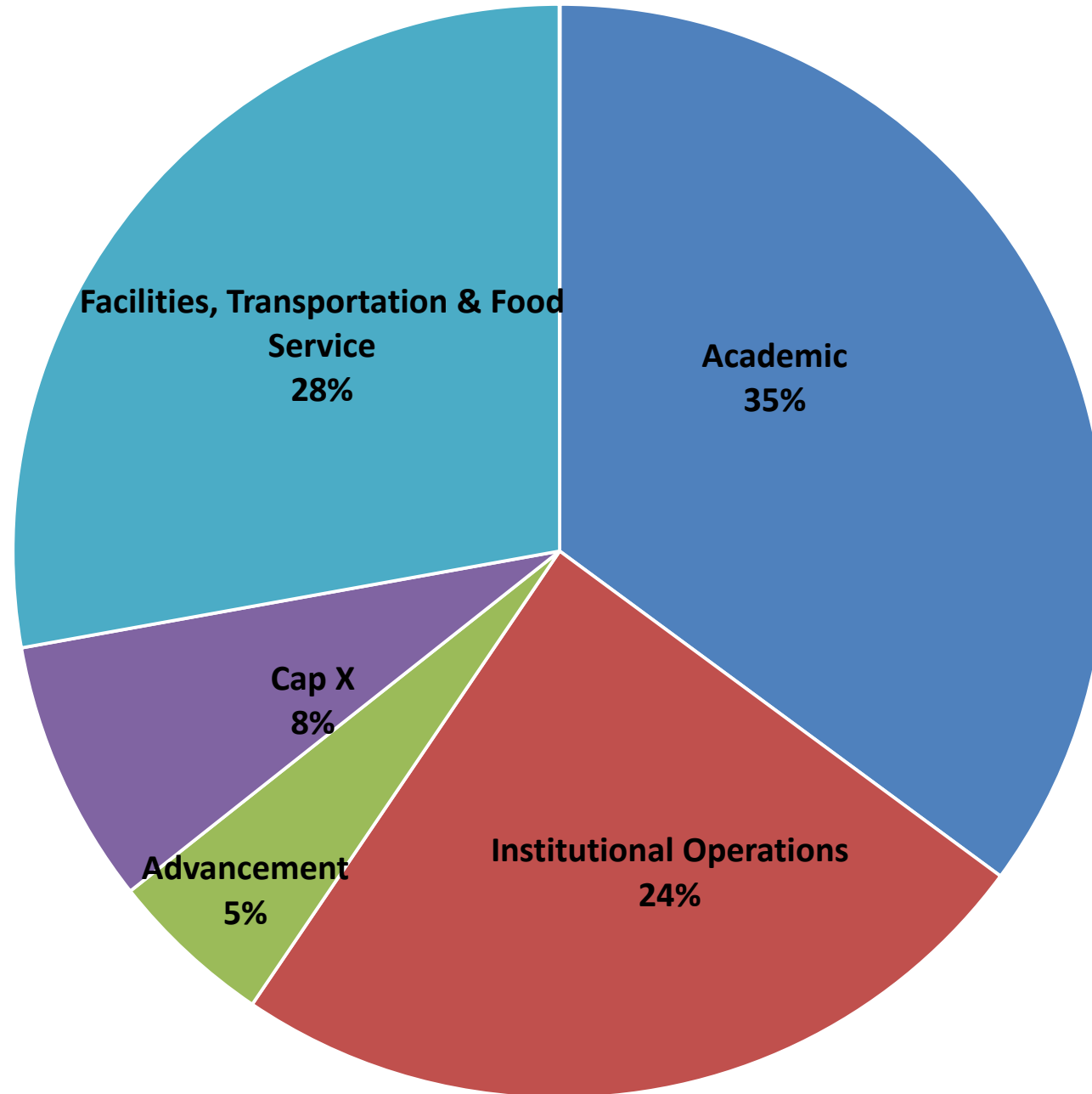
# Budget Challenges and Opportunities

- Davis Challenge Grant of \$2 million per year will end after 2021 – 2022
- Major opportunities to further control expenses
  - Impact of adding additional positions
  - Contract with Sodexo to provide facilities' management expertise and save money
  - Investment in capital expenditures
  - Transportation of students
- Revenues
  - Enrollment management - scholarships awarded
  - Davis hybrid model's impact on scholarships awarded
  - Impact of global selection process (GSP) on number of full-pay students
  - Fundraising for annual fund to increase
  - Increase in summer program revenue

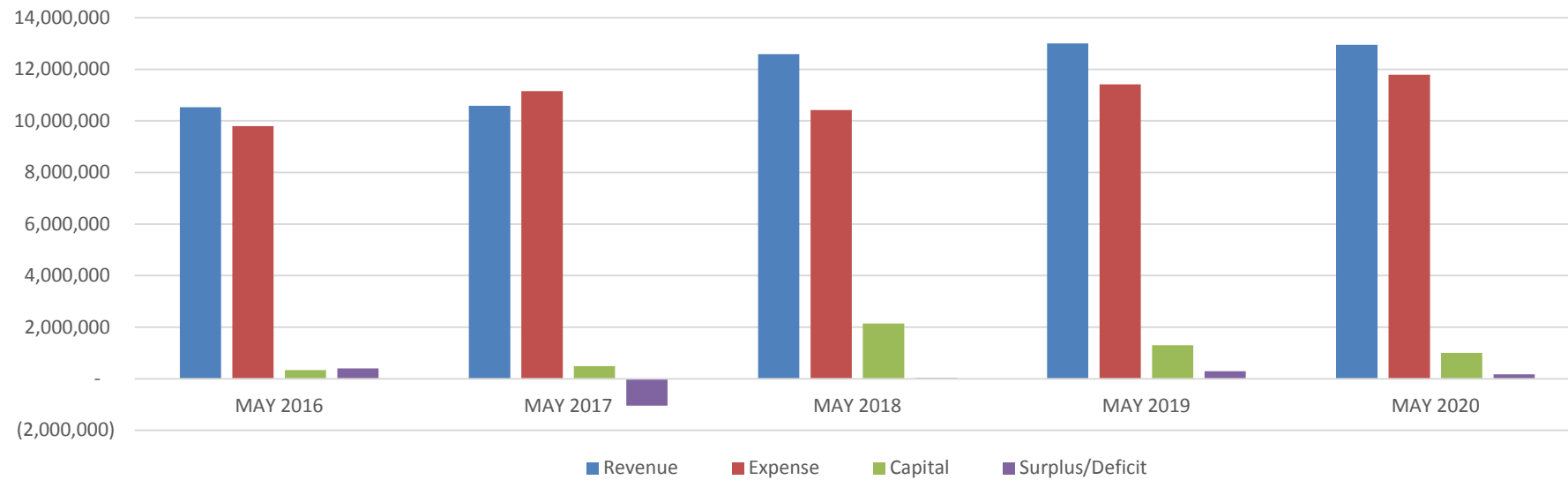
# Composition of Estimated Revenue 2019-2020



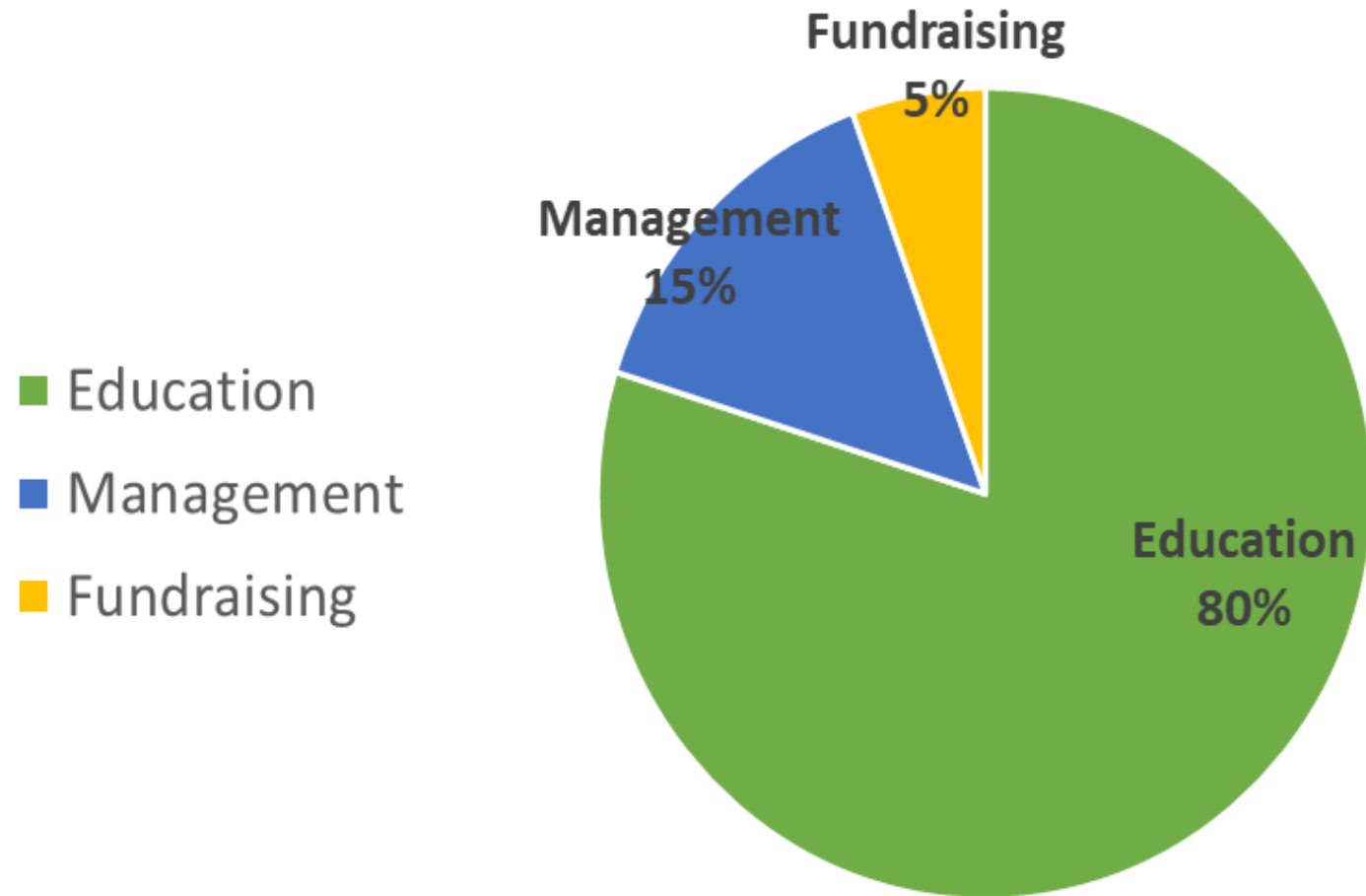
# Composition of Estimated Expense 2019-2020



# 5 Year Summary of Revenues and Expenses



# Salaries Expense FYE 05.31.2019



# Multi-Year Projection

	Actual	Preliminary	Projected	Projected	Projected	Projected	Projected
Cash Sources,Uses	2018-19	2019-20	2020-21	2021 - 22	2022-23	2023-24	2024-25
Students (Note 1)	219	234	230	230	230	230	230
% Tuition Increase (Note 2a)	0	0	0	0	0	0	0
Net Tuition Revenue (Note 2b; 2c)	2,291	2,855	2,916	2,975	3,034	3,095	3,157
Non-Diploma Programs (Net revenue)	238	276	283	289	294	300	306
Subtotal	2,529	3,131	3,199	3,264	3,328	3,395	3,463
Contributions							
Annual Fund	2,242	2,000	2,060	2,122	2,185	2,251	2,319
Endowment Funds (Note 5)	6,499	6,118	5,965	6,084	6,206	6,330	6,457
Davis Supplemental Grant	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Davis Challenge Matching Grant (Note 4)	2,000	2,000	2,000	2,000			
Davis Scholar Abroad Expense reclassified from an Operating Cost	(1,264)	(1,300)	(1,333)	(1,366)	(1,400)	(1,435)	(1,471)
Subtotal	10,477	9,818	9,692	9,840	7,991	8,146	8,305
<b>Total Revenues</b>	13,006	12,949	12,891	13,104	11,319	11,541	11,768
<b>Operating Costs</b>	11,416	11,784	12,138	12,502	12,877	13,263	13,661
<b>Net Operating (Revenue minus Expenses, prior to capital expenditures)</b>	1,590	1,165	753	602	(1,558)	(1,722)	(1,893)
<b>Campus Improvements - including one-time projects</b>	1,295	1,000	1,000	1,000	1,000	1,000	1,000
<b>(Deficit) Surplus</b>	295	165	(247)	(398)	(2,558)	(2,722)	(2,893)
<b>Reserve Fund Starting Balance</b>	2,406	2,701	2,731	2,485	2,087	(470)	
<b>Reserve Fund Closing Balance</b>	2,701	2,731	2,485	2,087	(470)	(3,192)	

## Assumptions:

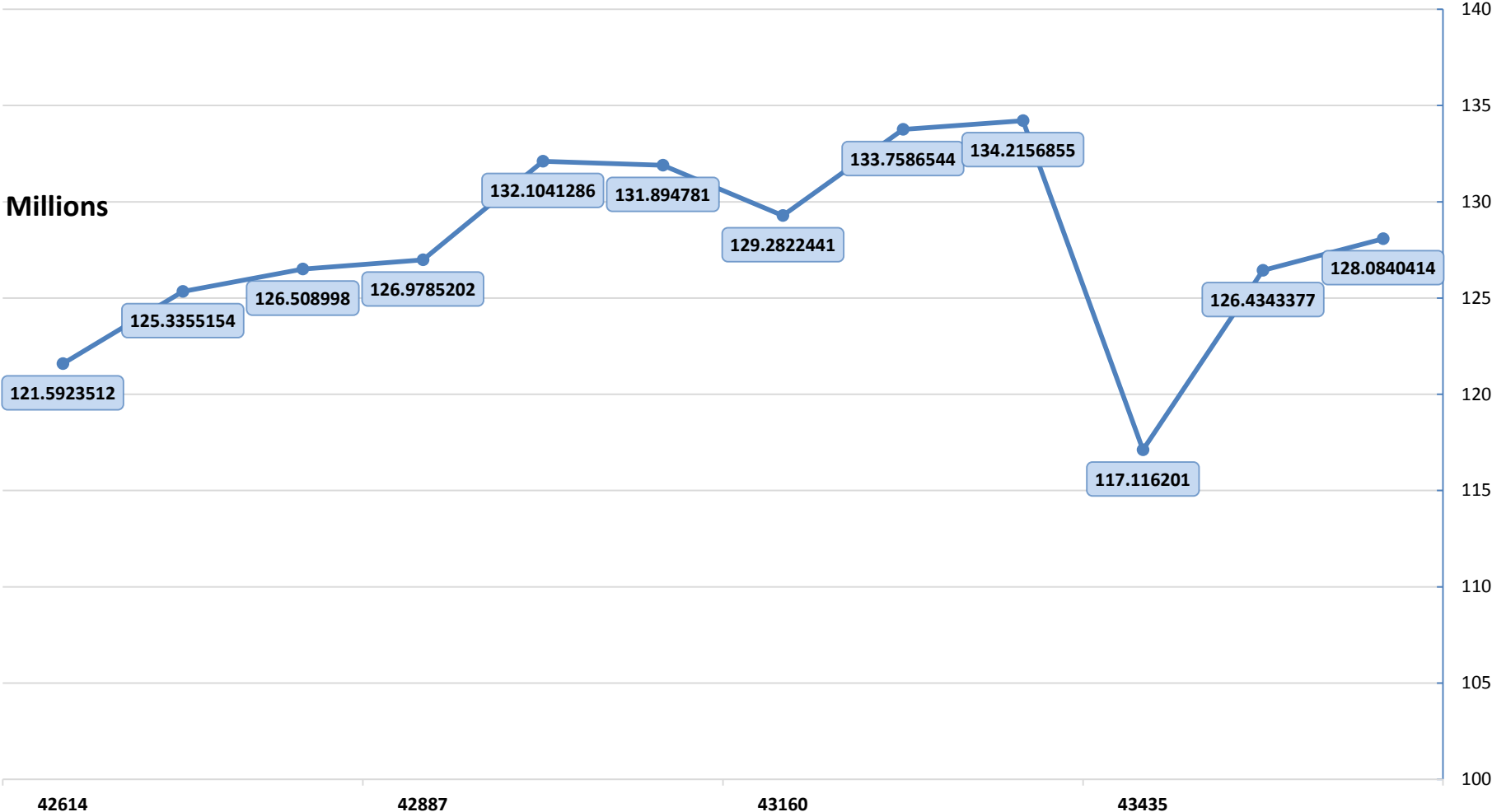
- Enrollment goal has been agreed to by the Admission and Business Office, with the understanding that it may change
- 2a. Tuition will increase only for first year students at a rate of 2.5% annually. Tuition means testing will be implemented for entering class in 2019-20, which is anticipated to increase net tuition over what is currently being shown.
- 2b. Includes estimated \$120,000 additional tuition projected in 2019-2020 and \$240,000 in 2020-2021 from implementation of the Davis hybrid scholarship model
- 2c. Does not include additional tuition from participating in the Global Selection Process at this time
3. Davis Challenge Matching Grant - The Davis family has offered a matching grant of \$2 million per year for five years, beginning in FY 2018
4. 2.0% appreciation in draw, though endowment is expected to grow at a higher rate.
5. Endowment in 2018-2019 and 2019-2020 includes \$270,000 each year in rollover funds

# United World College - USA

## Market Value Summary

Trailing 12 Quarters

Ending June 30, 2019



<b>Capital Projects 2019 - 2020</b>	<b>Projected Cost</b>
<b><u>Safety and maintenance necessary to prevent further deterioration</u></b>	
Castle - damaged railing and woodwork around veranda	45,000
Castle - roof and gutter repair	50,000
Concrete - sidewalk and stair repair	60,000
Sasakawa - roof replacement	25,000
Erosion of road sides	15,000
Additional cameras and software	25,000
Additional campus lighting	30,000
OSH - interior lighting upgrade	25,000
Castle, OSH, President's House - boilers	50,000
Fix ditch on side of the President's House	5,000
Reservoir - inspection of lining and repair	10,000
Reservoir - backfill dirt areas	5,000
Faculty housing- re-stain wood siding to prevent further weather damage	55,000
Old clinic building - re-stucco rotting siding on upper portion to prevent further damage	20,000
Pathway from lower to upper campus - replace or repair lighting; fix uneven walking surface and wall	20,000
Sewage plant - fill in old aeration basin re-locate electrical from old clarifier	-
<b><u>Student Experience</u></b>	
Bathroom refurbishment	delay
Carpet replacement	delay
Phased replacement of dorm heating units and or boilers	30,000
Furniture replacement for residence halls	25,000
Dorm network upgrade	5,000
Auditorium lights upgrade	14,000
Dorm entrance cameras	25,000
Basic ropes course	15,000
Vehicle replacements	130,000
<b><u>Academic Support</u></b>	
Network server upgrades	12,000
Wifi upgrade	14,000
3 smartboard replacements	20,000
Classroom expansion	20,000
Additional classroom furniture	10,000
<b><u>Other</u></b>	
Insurance projects - deductibles	40,000
Assessment and repair of irrigation system	unknown at present
Farmhouse roof repair/replacement	10,000
<i>Reserve for Other</i>	<i>190,000</i>
<b>Total budgeted for capital projects</b>	<b>1,000,000</b>

<b>2020 - 2021 Capital Projects - Preliminary</b>
<b>Safety and maintenance necessary to prevent further deterioration</b>
Castle - roof and gutter repair
Concrete - sidewalk and stair repair
Additional campus lighting
OSH -interior lighting upgrade
Reservoir - inspection of lining and repair
<b>Student Experience</b>
Bathroom refurbishment
Carpet replacement
Phased replacement of dorm heating units and or boilers
Furniture replacement for residence halls
Dorm network upgrade
Vehicle replacements
<b>Academic Support</b>
Network server upgrades
Wifi upgrade
Smartboard replacements
Classroom expansion
Additional classroom furniture
<b>Other</b>
Assessment and repair of irrigation system
Campus signage
Repair of stone work throughout campus, including brick pathway
Reserve for Other