

CASE WESTERN RESERVE UNIVERSITY

Financial Forecast

(000s)

	2004-05	2005-06	2006-07	3/31/07	March		%	Notes
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>Forecast</u>	<u>Variance</u>	<u>Variance</u>	
REVENUE:								
Tuition:								
Undergrad	82,894	100,696	111,809	112,405	111,725	(84)	-0.08%	
Summer	7,979	9,032	9,116	10,189	10,171	1,055	11.57%	1
Professional	80,607	87,513	93,670	91,636	91,134	(2,536)	-2.71%	2
Graduate	27,863	28,338	29,338	27,597	27,585	(1,753)	-5.98%	3
Fees	2,934	4,661	4,702	5,203	5,128	426	9.06%	
Total Tuition	202,277	230,240	248,635	247,030	245,743	(2,892)	-1.16%	
Endowment:								
Restricted	42,661	37,198	39,162	29,231	38,070	(1,092)	-2.79%	
Unrestricted	38,408	37,843	36,890	28,400	37,119	229	0.62%	
Total Endowment	81,069	75,041	76,052	57,631	75,189	(863)	-1.13%	
Research & Training								
Restricted Gifts	49,017	41,577	32,620	27,864	35,506	2,886	8.85%	4
Overhead Recovery	66,598	67,023	70,173	49,068	66,337	(3,836)	-5.47%	5
Unrestricted Gifts	6,987	4,397	6,913	2,130	4,314	(2,599)	-37.60%	6
State Support	3,962	3,900	3,867	975	3,900	33	0.85%	
Organized Activities	8,849	9,176	9,271	7,157	10,252	981	10.58%	
Other Income	18,676	31,475	30,739	13,949	29,087	(1,652)	-5.37%	7
Auxiliaries	25,509	34,588	40,012	36,976	39,708	(304)	-0.76%	
University Support	0	0	0	0	0	0	0.00%	
TOTAL REVENUE	744,558	803,031	815,728	596,766	806,177	(9,551)	-1.17%	
EXPENSE:								
Direct:								
Faculty Salaries	113,366	119,837	120,558	92,160	119,808	750	0.62%	
Other Salaries	82,321	87,673	88,092	64,060	86,150	1,942	2.20%	
Total Salaries	195,687	207,510	208,650	156,220	205,958	2,692	1.29%	
Fringe	50,127	54,844	57,513	43,378	57,228	285	0.50%	
Student Salaries	26,722	25,885	24,010	20,398	26,085	(2,075)	-8.64%	
Student Aid	89,577	101,126	107,224	103,472	107,039	185	0.17%	8
Non-Salary	233,658	271,710	243,533	110,644	249,549	(6,016)	-2.47%	9
Total Direct Expense	595,771	661,075	640,930	434,112	645,859	(4,929)	-0.77%	
Total Restricted	373,292	383,834	368,672	210,776	369,121	(449)	-0.12%	
Total Unrestricted	222,479	276,686	272,258	223,336	276,738	(4,480)	-1.65%	
Indirect:								
Library	14,897	15,149	15,597	11,631	14,835	762	4.89%	
Student Services	13,924	15,669	15,698	10,877	15,671	27	0.17%	
Plant	43,318	44,213	47,663	30,303	44,270	3,393	7.12%	10
Information Technology Svcs.	22,222	22,481	21,541	16,578	21,445	96	0.45%	
University Services	55,970	54,484	45,081	24,673	42,760	2,321	5.15%	11
Auxiliaries	25,535	34,124	40,012	24,699	39,947	65	0.16%	
Total Indirect	175,866	186,120	185,592	118,761	178,928	6,664	3.59%	
TOTAL EXPENSE	771,637	847,195	826,522	552,873	824,787	1,735	0.21%	
Contingency & Transfers	1,573	5,728	(294)	0	(5,264)	(4,970)		
Transfers to Plant	0	10,000	0	0	0	0		
Vision Working Capital	(24,867)	(46,944)	0	0	0	0		
Surplus/(Deficit)	(3,785)	(12,948)	(10,500)	43,893	(13,346)	(2,846)		

CASE WESTERN RESERVE UNIVERSITY
Financial Forecast - March 31, 2007
(000s)

	<u>CAS</u>	<u>CSE</u>	<u>MGT</u>	<u>MSASS</u>	<u>LAW</u>	<u>DENT</u>	<u>NURS</u>	<u>MED</u>	<u>UGEN</u>	<u>TOTAL</u>
REVENUE:										
Tuition:										
Undergrad	37,825	14,799	6,538	80	38	55	3,676	1,078	47,636	111,725
Summer	1,948	994	2,282	1,258	325	284	2,524	556	0	10,171
Professional	0	1,114	17,258	8,657	22,448	11,146	7,858	22,653	0	91,134
Graduate	6,914	7,460	542	429	0	949	710	10,581	0	27,585
Fees	256	263	518	3	0	387	28	324	3,349	5,128
Total Tuition	46,943	24,630	27,138	10,427	22,811	12,821	14,796	35,192	50,985	245,743
Endowment:										
Restricted	6,327	3,733	2,277	1,306	3,930	292	2,057	9,000	9,148	38,070
Unrestricted	8,842	4,143	1,944	582	528	71	1,171	11,700	8,138	37,119
Total Endowment	15,169	7,876	4,221	1,888	4,458	363	3,228	20,700	17,286	75,189
Research & Training										
Restricted Gifts	3,047	1,773	452	2,759	279	1,621	525	11,100	13,950	35,506
Overhead Recovery	3,702	8,499	90	598	120	745	750	51,533	300	66,337
Unrestricted Gifts	75	400	325	112	950	342	310	1,800	0	4,314
State Support	0	0	0	0	0	0	0	3,900	0	3,900
Organized Activities	170	0	3,390	99	0	5,835	0	758	0	10,252
Other Income	(3)	7	79	14	292	333	65	20,548	7,752	29,087
Auxiliaries	0	0	0	0	0	0	0	0	39,708	39,708
University Support	1,700	2,800	600	0	0	0	0	5,000	(10,100)	0
TOTAL REVENUE	81,377	79,287	36,632	19,276	29,324	24,231	22,325	392,044	121,681	806,177
EXPENSE:										
Direct:										
Faculty Salaries	19,041	14,280	9,798	3,899	7,443	6,418	5,317	53,200	412	119,808
Other Salaries	7,797	8,739	4,532	3,682	2,559	3,481	3,585	50,200	1,575	86,150
Total Salaries	26,838	23,019	14,330	7,581	10,002	9,899	8,902	103,400	1,987	205,958
Fringe	7,608	6,504	4,170	2,155	2,895	2,867	2,555	27,900	574	57,228
Student Salaries	5,105	7,280	1,417	776	228	181	364	8,600	2,134	26,085
Student Aid	5,722	5,591	2,697	3,586	4,333	330	2,293	19,400	63,087	107,039
Non-Salary	9,436	19,806	5,651	2,218	3,496	5,137	3,590	196,161	4,054	249,549
Total Direct Expense	54,709	62,200	28,265	16,316	20,954	18,414	17,704	355,461	71,836	645,859
Indirect:										
Library	2,259	1,391	764	271	4,078	417	392	4,035	1,228	14,835
Student Services	6,508	2,633	1,361	161	179	149	669	2,406	1,605	15,671
Plant I	9,809	9,009	3,189	561	1,656	2,698	1,510	22,141	(6,303)	44,270
Information Technology Services	4,335	2,607	1,886	741	1,168	930	921	9,656	(799)	21,445
University Services	3,438	3,599	2,347	968	1,158	912	849	16,611	12,878	42,760
Auxiliaries	0	0	0	0	0	0	0	0	39,947	39,947
Total Indirect	26,349	19,239	9,547	2,702	8,239	5,106	4,341	54,849	48,556	178,928
TOTAL EXPENSE	81,058	81,439	37,812	19,018	29,193	23,520	22,045	410,310	120,392	824,787
Contingency & Transfers	319	0	0	258	131	711	280	(6,963)	0	(5,264)
				0	0	0	0			0
Total Surplus/(Deficit)	0	(2,152)	(1,180)	0	0	0	0	(11,303)	1,289	(13,346)

Notes on the Statement of Operations

1. Summer tuition revenues are \$10.1 million compared to a budget of \$9.1 million – income was higher than budget primarily in Arts & Sciences (\$373.0k), Nursing (\$429.0k), Law (\$116k), and Management (\$161k). The School of Engineering was the only school with a significant shortfall in Summer income (\$82 thousand).
2. Professional tuition is \$2.5 million below with the most significant variances at the School of Nursing (ND Program \$86.0k), the School of Medicine (\$1.1M), the School of Engineering (\$546.0k), Mandel School of Applied Social Science (\$182k), and the Weatherhead School (\$1.1M).
3. Graduate tuition is \$1.74 million lower than budget with a significant shortfall at the School of Medicine (\$1.4 million).
4. Revenues from Research and Training are expected to be below budget and 3.1% below the FY06 actual. The School of Medicine is projecting that campus-based research revenues will be \$9.86 million under budget. Engineering (\$4.6M), Nursing (\$598k), and the Dentistry (\$714k) are projecting increases above budgeted revenues.
5. Overhead Recovery income is \$3.8 million under budget with the shortfall attributable to the Medical School (\$4.2M) (Case campus-based).
6. Unrestricted gift revenues are below budget by \$2.59 million. The unrestricted gift budget at the School of Medicine is \$3.8 million, including \$1.5 million in previously pledged gifts which will support the CSM for FY07. The Medical School also budgeted \$1.5 million in annual fund revenues and \$.8 million in new gifts. They have reduced their estimated receipts by \$2.0 million. This will continue to be a risk area in the CSM forecast. The College of Arts and Sciences (\$175.0k), Law (\$150.0k), and the School of Engineering (\$150.0k) have also reduced their gift forecasts.
7. On an overall basis, Other Income is close to budgeted levels. The variance includes a \$2 million reduction in CRI revenues at the School of Medicine which is offset by higher short term interest income and other miscellaneous income in University General.
8. The savings in student aid expense is realized primarily in the School of Nursing (\$143.0k), Engineering (\$341.0k) and the Weatherhead School (\$765.0k), and partially offsets lower tuition revenues in their professional programs.
9. Most of the savings in non-salary are the result of lower research and training expenditures.
10. The variance in Plant Services included a \$3.8 million savings in utilities.
11. The savings in University Services is the result of lower interest expense on the University's line of credit borrowings.

The budget for the School of Medicine is dependent on a flow of funds from University Hospitals, the terms of which are included in the Affiliation Agreement:

	<u>FY 07 Budget</u>	<u>0307 Forecast</u>
Dean's Tax	\$3,750,000	\$3,263,000
UH Academic Payment	\$5,850,000	\$5,717,000
CRI Investment	<u>\$9,478,000</u>	<u>\$7,558,000</u>
Total	\$19,078,000	\$16,538,000

The School of Medicine is forecasting funds flow from UH, as a result of the Agreement, well below budget. Dean's Tax (\$487.0k), Academic Payment (\$133.0k) receipts are forecasted below budget. With CRI Investment revenues are forecasted to be below budget by \$1.92 million. The CRI funds from the Hospital are a 50% match on the School's spending, and includes possible reimbursement for some FY06 expenses that were not paid by the Hospital last year.