



**FY2015 Annual Report**  
Division of Finance & Administration  
*Includes FY2015 Audited NDSU Annual  
Financial Report*

## Contents

Introduction _____	1
Division of Finance and Administration _____	2
NDSU at a Glance _____	7
Enrollment Updates _____	14
Tuition, Costs & Financial Aid _____	21
Budgetary Highlights _____	25
Planned Improvements _____	30
Research _____	32
NDSU Development Foundation _____	35
North Dakota – Live, Work, Play _____	37
NDSU Annual Financial Report – June 30, 2015 _____	45
Contact Information _____	63

*NDSU was named by the Carnegie Commission on Higher Education to the elite "Research University/Very High Research" category, which represents the 108 top-ranked private and public universities in the United States.*

## Introduction

As the state's land-grant institution, NDSU has a longstanding commitment to bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high-quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability. We are truly a student focused, land-grant, research university.



NDSU's continued success has led to higher national and international visibility, not just for itself but the entire state, and most importantly, more substantial contributions to the success of North Dakota and the nation, at levels never before attained by a North Dakota higher education institution. In fact, NDSU is now the top ranked college or university in its five state area of North Dakota, South Dakota, Wyoming, Idaho and Montana. That success is resulting in increased demand from both in and out-of-state students seeking a traditional full-time, residential experience leading to graduation in four years from a rigorous research university environment.

NDSU leads the state in the enrollment of first-time freshmen, and NDSU remains the largest university in the state in terms of overall full-time enrollment. NDSU graduates also enjoy an exceptional job placement rate in their field of study, exhibit a steadily increasing level of residency in the state after graduation, and make record-setting contributions to the state's tax base. From another perspective, the university's success also has led to continued record research and development expenditures, licensing revenues and new business growth, as well as subsequent job creation.

As NDSU continues to evolve and grow, which is projected to continue into the next biennium, we also continue our commitment to affordability, efficiency and productivity. That commitment is reflected in the success of our students, local and service region communities and the statewide economic interests we serve. We look forward and remain committed to addressing the needs and aspirations of North Dakota by building on our land-grant foundation.

Dean. L. Bresciani, President

# Division of Finance and Administration

## Division of Finance and Administration

### MISSION

Finance and Administration is a critical pillar of the University, providing supportive learning and partnership

### VALUES

Our division is committed to excellence, and we demonstrate that through our innovative problem solving, cooperative relationships and focus on customer service

### VISION

Finance and Administration strives to be a resourceful partner by providing direct and advisory services while promoting accountability to the University and its extended Community

### Who We Are

[www.ndsu.edu/vpfa](http://www.ndsu.edu/vpfa)

Our Division provides the fiscal and administrative counsel to the executive offices of the University, assuring that the institution operates within the legal and regulatory parameters of the State Board of Higher Education and the North Dakota University System. We provide human resources and fiscal management, and coordination of University-wide planning, budgeting and policy analysis. The Division is also responsible for maintaining the physical environment and ensuring the safety of faculty, students and staff. Through partnerships with units across the University, Finance and Administration strives to provide the highest level of service attainable.

### OFFICE OF THE VICE PRESIDENT

**Bruce Bollinger, Vice President for Finance and Administration**

**Gina Haugen, Assistant to the Vice President**

**Kim Matzke-Ternes, Administrative Assistant**

**Matthew Chaussee, Technical Services Manager**

### ACCOUNTING / FINANCIAL SERVICES

**Gary Wawers, Controller**

**Ramona Adams, Associate Controller**

The NDSU Accounting Office is the University's central accounting office responsible for leadership and management in the following areas: accounts payable, general ledger, financial systems training, banking, investments, capital asset management, long term debt, taxes, coordinating external audits and financial reporting.

### BUDGET OFFICE

**Cynthia Rott, Director**

The NDSU Budget office is responsible for the planning, development, analysis, and implementation of the fiscal management process and preparation of the NDSU comprehensive annual and biennial budgets; provides for the coordination, preparation, maintenance and reporting of budgeting systems/activities; long range planning; capital project review and monitoring; provides management with information, analyses and recommendations for budgetary needs consistent with NDSU and SBHE guidelines, procedures and policies.

### CENTER FOR CHILD DEVELOPMENT

**Debra Habedank, Director**

The mission at the Center for Child Development is to serve and act on behalf of the needs, rights, and well-being of all children, their families and university students. We operate as an education, research and service program to educate and care for children of NDSU faculty and staff. Our primary goals are to:

- Educate and care for children using a developmentally appropriate curriculum

---

## Division of Finance and Administration

---

- Provide support and strengthen the quality of life for young children and their families
- Educate and support university students as they pursue their education
- Serve as a research facility at NDSU

### CUSTOMER ACCOUNT SERVICES

#### **Karin Hegstad, Director**

Customer Account Services facilitates the processes used for assessing and collecting revenue generated by the University. Their mission is to maintain a high level of customer support while efficiently and accurately performing all functions in the collection of the University's account receivables.

### FACILITIES MANAGEMENT

#### **Michael Ellingson, Director**

NDSU Facilities Management supports the University by enhancing the quality of its physical facilities (buildings, infrastructure, grounds and related services.) This is done through planning, designing, engineering, constructing and maintaining in a responsive, service-oriented, effective, and environmentally-conscious manner.

### GRANT AND CONTRACT ACCOUNTING

#### **Ann Young, Director**

Grant and Contract Accounting is committed to providing high quality financial services to faculty and administrative staff dealing with sponsored programs. Through sound financial leadership, Grant and Contract Accounting supports the research, instruction and outreach activities of North Dakota State University.

### HUMAN RESOURCES / PAYROLL

#### **Colette Erickson, Director**

Human Resources and Payroll supports, promotes and impacts the success of the University and its diverse community by providing services in employee relations, recruitment, performance development and management, onboarding, training, benefits, compliance and payroll.

### PURCHASING

#### **Stacey Winter, Director**

Purchasing provides the University with professional technical assistance in procuring quality equipment, goods, and services in specified commodity areas by following established state and institutional guidelines on the basis of competitive bids; assists campus in redistribution and disposal of excess/surplus property in compliance with all law and policies; and provides campus with timely and cost effective mailing and shipping services.

### STUDENT LOAN SERVICE CENTER

#### **Kelly Bisek, Director**

The Student Loan Service Center (SLSC) provides loan servicing for institutional loans issued by colleges and universities in the North Dakota University System. This includes monitoring, reporting and collecting on loans in accordance with state and federal laws and regulations.

### UNIVERSITY POLICE AND SAFETY OFFICE

#### **Mike Borr, Director**

The University Police and Safety Office provides professional services and resources to help the campus be a safe and secure environment while being prepared to respond to the emergency service needs of

## Division of Finance and Administration

the community. To accomplish this, the department serves as the lead institutional unit responsible for safety and security, law enforcement, risk management and emergency preparedness and response.

### 2014-2015 Division Highlights

Over the last fiscal year, the employees in Finance and Administration continued to foster and build teams, not only within the division but also across the campus, in order to fulfill the core mission of NDSU and the division.

The financial stability of the University continues to improve. Per the calculated composite financial index (CFI), NDSU has risen from 1.2 in 2009 and 2.4 in 2010 to 4.25 in 2014. This financial improvement has also been noted in the ratings report to management by the rating agencies of Moody's Investors Service and Standard and Poor's. The University was rated AA.

The following will highlight some of the major accomplishments achieved by the division over the past twelve months:

#### Budget

- Created a service center with Information Technology Services (ITS) to increase efficiency for that division
- Built and promoted the 2015-17 biennial budget with the Governor and Legislature
- Designed and built the FY2016 annual budget
- Evaluated and refined NDSU's budget model



#### Center for Child Development

- Accredited Early Childhood Program through the National Association for the Education of Young Children, recognizing high-quality early childhood programs providing a safe and nurturing environment while promoting the physical, social, emotional and intellectual development of young children
- Bright and Early ND Award recipient – Top Level
- STAR Five rating from the ND Growing Futures Quality Rating & Improvement System



#### Facilities Management

- Current major capital projects:
  - STEM Building (\$29,367,709)
  - Sanford Health Athletic Complex (\$41,000,000)
  - Aquatic Center (\$11,000,000)
- Other capital projects:
  - Heating Plant #1 boiler replacement
  - Stockbridge/Dinan Hall lavatories
  - FLC Food Production lab
  - T2 Parking Lot expansion
  - Ceres Hall window/spot tuckpointing
  - Waldron and Walster Halls labs
  - Electronic campus signage
  - Old Post Office building removal
  - Renovation plans for Ladd-Dunbar Halls, Pharmacy, Engineering and Harris Halls
- Completed NDSU campus master plan



## Division of Finance and Administration

update and new campus storm water master plan

- Continued re-engineering and cost savings processes in several areas:
  - O/T hours reduced from 10,921 in 2009 to 3,864 in 2013
  - Custodial cleaning and paper products RFP (\$84,329 annual savings)
  - Heating Plant reduced annual water usage (2,628,000 gallons; \$18,396 annual savings)
  - Performance contract verified energy

savings for the year was \$798,792, exceeding the guaranteed amount of \$767,164.

- VFD drives installed on boilers and transfer pumps (\$36,540 annual savings)
- Outside vendor for custodial laundry needs discontinued (\$10,000 annual savings)
- Concrete vs. asphalt used on three larger parking lot resurfacing projects (\$220,000 maintenance savings over 20 years)

### Financial Operations

- No formal audit findings found for NDSU in the FY2014 financial audit
- No error findings in special operations audit for FY2012 and FY2013
- Successful implementation of Bismarck Sanford Nursing College acquisition
- Successful implementation of ND Challenge Grant tracking, accounting and reporting
- Successful completion of a new Facilities & Administrative Cost rate proposal
- Continued redesign of the NDSU tuition model (SSTM) with the NDUS tuition model (Pathways)
- Latest Federal audit identified few weaknesses



- Developing a campus wide Microsoft Office Specialist training program
- Issuance of \$24,000,000 in Housing and Auxiliary Facilities Revenue Refunding Bonds Series 2015A, for the purpose of refinancing the outstanding NDSU Housing and Auxiliary Facilities Revenue Bonds Series 2005, 2006A and 2006B. The combined Gross Savings from the refunding was \$12,480,681 with the Net Present Value Savings (net of all costs) being \$5,297,981 or 19.68% of the refinanced bonds. The true interest cost was 2.53%.

### Human Resources / Payroll

- Began collaborations on shared services project with NDSCS where NDSU will assume back office payroll processing for NDSCS. This shared service will allow NDSCS to handle needed responsibilities and take advantage of expertise without having to hire an additional person.



- Continue to evaluate business processes with Center for Child Development
- Served on the ND State Affordable Care Act (ACA) implementation team and the NDUS ACA implementation team. Formed campus constituents committee and met with them several times for feedback and to generate information. Held 16 ACA sessions across NDSU regarding



## Division of Finance and Administration

Implementation; follow-up training scheduled to continue to train campus on the ACA

- Implemented a new criminal background check vendor for faster response time and more cost-effectiveness
- Served as a Pilot Campus for the implementation of NDUS PeopleSoft Manager Self-Service (MSS) – Hires, with NDSU campus implementation spring 2015
- Developed two on-line recruitment trainings using Moodle: *Administrative Support*

*Search and Non-Academic Search Committee Trainings* for/to assist the campus community

- Assisted with the merger/transition of Sanford School of Nursing employees to NDSU, under the leadership of the NDSU Controller. Held benefit sessions on campus and New Employee Orientation in Bismarck to aid the transition
- Successfully revamped the Staff Recognition event to a Dessert Social to increase attendance

### University Police and Safety

- Tested and implemented a new smartphone security application to enhance safety efforts on campus. Users enter their destination and estimated travel time, which allows NDSU Police to quickly respond if the user does not arrive within the allotted time. A silent alarm can also be sent to the dispatcher with the swipe of a finger, if the user feels threatened.
- Working on expanded bus routes southwest of the campus so that students have transportation access to the area, especially after dark
- Working on expanding the notification process to the campus community
- Continued successful work on the Worker's Compensation Experience Rate Modification and Discount Programs, resulting in significant premium reductions of over \$500,000
- Developed the *Track Training* application in coordination with IT Enterprise Application and the VPFA Technical Services Manager to determine and track required annual/periodic training requirements for employees on campus.



- Successfully completed a Chemical Facility Terrorism audit review from the Department of Homeland Security. NDSU was determined to no longer fall within the "High Risk" category for facilities.
- Conducted/assisted with over 50 campus safety and awareness training sessions focusing on both personal safety and risky behaviors, such as: Personal Safety & Multi-Hazard Response, Freshman Parent Orientation sessions, Alcohol & Sexual Violence Awareness, Alcohol & Risk Mitigation, Active Shooter Response, Basic Narcotics Awareness, Self-Defense Class for Women – Rape Aggression Defense (RAD), and Alcohol Awareness via the Deutscher Car display that involved five police officers and Residence Life staff and students.
- Recipient of several Federal NDDOT awards (Alcohol Enforcement, Click it or Ticket, Underage Drinking Enforcement, Distracted Driving grants) providing availability of additional police personnel, in conjunction with other agencies in SE North Dakota, for patrol assistance in curbing certain risky behaviors.



## NDSU at a Glance

### NDSU FACTS

#### Campus Demographics

Buildings	108
Acres	261
Research Extension Centers:	
Number	8
Acres	18,488

#### Fall 2014 Employee Stats

Administrators	75
Ranked Faculty & Lecturers	756
Part-Time Academic Staff	209
Graduate Assistants & Fellows	955
Program Administrators & Coaches	45
Extension Educators, Experiment Station & Other Researchers	245
Professional, Technical Office, Trades & Service Staff	1,495
Temporary Workers (including Students)	2,531
TOTAL EMPLOYEES	6,311
Full-Time	2,616
Part Time	3,695
FTE	3,979.84

#### Fall 2014 Faculty Stats

Total Faculty	891
Full-Time Faculty	693
Part-Time Faculty	198
Percent Tenured (of full-time faculty)	49.2%
Percent Holding Doctorates (of full-time faculty)	80.7%

Faculty counts include:  
Professors, Associate Professors, Assistant Professors, Instructors, Lecturers/Sr. Lecturers, Part-Time Academic Staff

### President and President's Cabinet

Dean L. Bresciani, President  
 Timothy Alvarez, VP for Student Affairs  
 Bruce Bollinger, VP for Finance & Administration  
 Ken Grafton, VP for Agricultural Affairs  
 Harlene Hatterman-Valenti, Faculty Senate Past President  
 Chuck Hoge, Interim Executive Director, NDSU Research & Technology Park  
 Beth Ingram, Provost  
 Matt Larsen, Director of Athletics  
 Doug Mayo, President/CEO, NDSU Development Foundation & Alumni Association  
 Wendy McCrory, Staff Senate President  
 Laura McDaniel, Assistant VP for University Relations  
 Evie Myers, VP for Equity, Diversity & Global Outreach  
 Barbara Pederson, Executive Assistant to the President  
 Kelly Rusch, VP for Research & Creative Activities  
 Sarah Russell, Student Body President  
 Marc Wallman, VP for Information Technology  
 Chris Wilson, General Counsel  
 Dale Zetocha, Executive Director, NDSU Research Foundation

### Senior Management

#### Dean L. Bresciani, President



Dr. Dean L. Bresciani was named North Dakota State University's 14<sup>th</sup> president on May 24, 2010, by the State Board of Higher Education. Dr.

Bresciani brings to campus the knowledge and experience of an over 30-year career and has developed a broad leadership base in the academic, administrative and political aspects of higher education.

A native of Napa Valley, Calif., Dr. Bresciani was vice president for student affairs at Texas A&M University in College Station from 2004 to 2008, and a full

professor in the department of educational administration through 2010. He was at the University of North Carolina at Chapel Hill from 1998 to 2004 in similar roles and was an assistant professor at the University of Nebraska at Kearney from 1992 to 1998, teaching in the Department of Management, as well as Counseling and School Psychology.

Dr. Bresciani earned his bachelor's degree in sociology from Humboldt State University, Arcata, Calif.; master's degree in college student personnel from Bowling Green State University, Bowling Green, Ohio; and a doctorate in higher education finance, with a

doctoral minor in economics, from the University of Arizona, Tucson.

He has an array of invited and juried publications and presentations, and broad involvement in higher education associations ranging from business affairs to scholarly

research. His scholarship focuses on the organization and funding of public higher education. Dr. Bresciani is well known for his dedication to students and regarded for his thoughtfulness, energy and integrity.

### **Timothy Alvarez, VP for Student Affairs**



Dr. Timothy Alvarez assumed his position as vice president for student affairs at NDSU in July, 2014. He began working in student affairs in 1990 and served in progressively responsible student affairs positions at the University of Nebraska-Lincoln and as Vice President of Student Services at Western Nebraska Community College from 1999 to 2007. In 2007, he served as Assistant Vice

Chancellor for Student Affairs at the University of Nebraska-Lincoln until assuming his current responsibilities at NDSU.

Dr. Alvarez earned an associate degree in arts from Western Nebraska Community college in 1979, a bachelor's degree in human resource management from Bellevue University in 1990, a master's degree in education from Chadron State College in 1993 and a doctorate in educational administration from University of Nebraska-Lincoln in 1999.

### **Bruce Bollinger, VP for Finance and Administration**



Bruce Bollinger was appointed Vice President for Finance and Administration at North Dakota State University in July 2010, after serving as the interim Vice President since March 2010. Prior to his appointment, Mr. Bollinger served in several financial management roles during his 27 years of service to the University, most recently as the director of the Agriculture Budget Office and Agriculture Facilities. His tenure also includes

positions as the director of the offices of Restricted Fund Accounting from 1989 to 1998 and Cost Accounting from 1997 to 1998; Assistant to the Controller from 1993 to 1998; and Grants and Contracts Officer from 1987 to 1989.

Mr. Bollinger earned a Bachelor of Science degree with majors in accounting and business administration in 1987 and a master's degree in business administration in 1995 from North Dakota State University.

### **Kenneth F. Grafton, VP for Agricultural Affairs**



Dr. Ken Grafton was appointed interim Vice President for Agriculture and University Extension in August 2011 and the Vice President for Agricultural Affairs in December 2011. He has been with the University since 1980, bringing more than 34 years of higher education experience to the

position. Dr. Grafton served on the faculty of the Department of Plant Sciences and has also served as associate dean of the Graduate School. He became director of the North Dakota Agricultural Experiment Station in 2002 and the Dean of the College of Agriculture, Food Systems and Natural Resources in 2005, and is

currently serving in both capacities in conjunction with the role of Vice President.

A faculty member since 1981, Dr. Grafton earned his B.S. in agriculture and his M.S. in

plant breeding and genetics from The Ohio State University. He earned his doctorate in plant breeding and genetics at the University of Missouri.

### **Beth Ingram, Provost**



Dr. Beth Ingram began her role as Provost at North Dakota State University in July 2014. Dr. Ingram received her B.S. (with Honors and Distinction) in economics and mathematics from the University of Iowa in 1981, and her Ph.D. in economics from the University of Minnesota in 1986. Dr. Ingram's academic career began at Cornell University, where she was an Assistant Professor of Economics, 1986-88. From 1988 to 2014, she taught at the University of Iowa. She has held the title of C. Woody Thompson Professor of Economics (2006-2010) and Henry B. Tippie

Professor (2010–2014), both at the University of Iowa.

Dr. Ingram's research interests and publications have focused on, among other things, macroeconomic and econometrics. Her academic experience is highlighted by her stellar publication record, editorship of leading and influential journals in her field, and more than \$670,000 in NSF and university grants. She is an award winning teacher, and her teaching repertoire includes undergraduate and graduate courses, mentoring (students and faculty) and chairing thesis committees.

### **Matt Larsen, Athletic Director**



Matt Larsen was named NDSU's 18<sup>th</sup> director of athletics effective October, 2014. Larsen was in his 19<sup>th</sup> season at Stony Brook University, where he was the senior associate director of athletics. A member of Stony Brook's senior management team, Larsen assisted the director of athletics in establishing goals for the department, including strategic planning, policy development, revenue generation, sport oversight and facilities and budget management. He was a part of Stony Brook's rapid ascent in intercollegiate athletics from the department's transition to Division I to becoming one of the top athletics programs in the Northeast. In addition, Larsen served as the Stony Brook athletics department's Chief Financial Officer, provided oversight to the Office of External Services, and was

responsible for varsity sport program oversight for the football, baseball, men's lacrosse, women's soccer, and men's and women's cross-country/track and field programs.

Mr. Larsen graduated from Stony Brook in 1996 with a bachelor's degree in biological sciences. He earned a Master of Arts and Liberal Studies degree from Stony Brook in 1998 while serving as a graduate assistant coach for the football program and athletic facilities. He also has participated in the Sports Management Institute's Executive Program.

### **Laura McDaniel, Assistant VP for University Relations**



Laura McDaniel has been with University Relations since 1989, serving in several capacities, such as the Director of Publications, Director of

University News and Publications, Director of Marketing Communication and as the Executive Director of Marketing

Communication prior to her appointment as the Assistant Vice President. Ms. McDaniel has a bachelor's degree from the University of North Dakota and a master's degree from NDSU. Her previous work experience also includes news reporting and corporate communication.

### **Marc Wallman, VP for Information Technology**



Marc Wallman was named Vice President for Information Technology at NDSU in October, 2014, having served as Interim Vice President for Information Technology since February 2012.

Mr. Wallman joined the University's Information Technology Division in 2002 as a Senior Systems Administrator. In 2006, he became the Director of Information Technology Infrastructure Services. In 2008, he also

assumed the role of Assistant Vice President for Enterprise and Computing Infrastructure. Before joining the University, he worked in the central information technology department at the University of California at Berkeley.

Mr. Wallman earned a bachelor's degree in physics from Luther College in Decorah, Iowa, a master's degree in computer science from NDSU and a master's degree in theology from Luther Seminary in St. Paul, Minnesota.

### **Eveadean Myers, VP for Equity, Diversity and Global Outreach**



Eveadean Myers has served as the Vice President for Equity, Diversity and Global Outreach since 2008. Previously, she served as the executive director and chief diversity officer for the University's Office of Equity and Diversity.

Before coming to the University, Ms. Myers was the associate director of Affirmative Action/Equal Opportunity and Diversity at Iowa State University, Ames, for 10 years. She

earned a bachelor's degree from Iowa State University and a juris doctorate from the University of Iowa College of Law. She also founded Morrison Myers Consulting, Ames, which managed litigation and conducted investigations in the areas of civil rights, discrimination, and sexual harassment. She previously managed litigation for the Minneapolis-based Pillsbury Co. law department for five years.

### **Kelly A. Rusch, VP for Research and Creative Activity**



Dr. Kelly A. Rusch was hired as Vice President for Research and Creative Activity at North Dakota State University in June 2013. Dr. Rusch's role is to facilitate,

coordinate and advance research at NDSU and foster economic development.

Dr. Rusch joined the Louisiana State University Department of Civil and Environmental Engineering faculty in 1993,

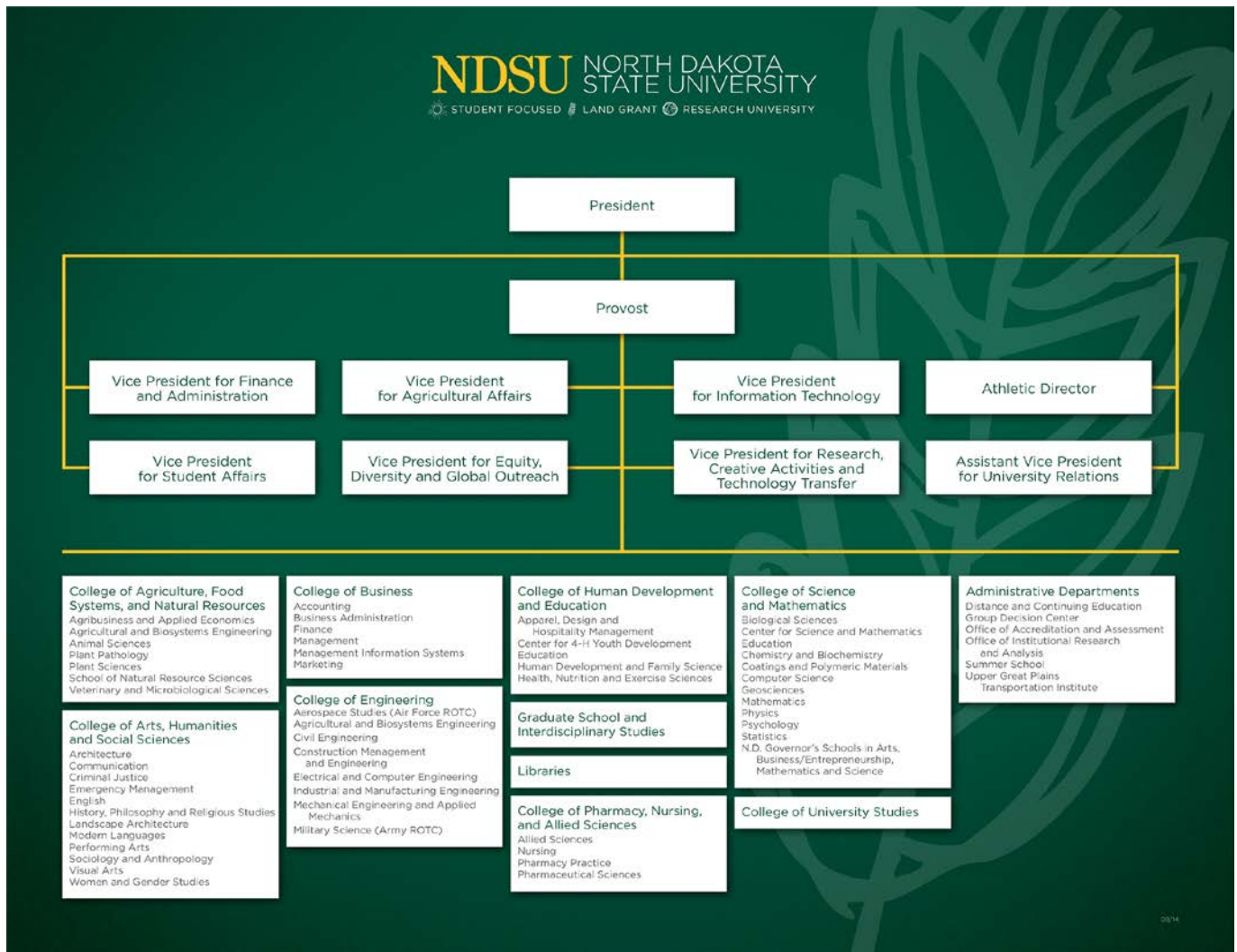
## NDSU at a Glance

focusing on microorganism system design, development and modeling, and engineering education. She served in numerous leadership positions, including associate dean of the College of Engineering, interim chair of the Department of Construction Management and Industrial Engineering, co-chair of Louisiana State's Commission on the Status of Women and founder and director of the Institute for

Ecological Infrastructure Engineering. She is a registered professional engineer in Louisiana.

Dr. Rusch earned her bachelor's degree in biology and chemistry at the University of Wisconsin-LaCrosse, and her master's degree and doctorate in civil engineering with emphasis on environmental engineering at Louisiana State University

### Organizational Chart





## Major Accomplishments

North Dakota's first and only top ranked research university in the nation based on both the Carnegie Commission on Higher Education and the National Science Foundation. Classified by the Carnegie Commission on Higher Education as "Research University/Very High Research Activity."

**Received \$6.4M in equalization funding** from the new higher education funding formula, of which 100% was used to support Academic Affairs.

**Initiated construction of a new state-funded STEM classroom building** to meet student demand in science, technology, engineering and math disciplines.

Continued demand by prospective undergraduate and graduate students has been reflected in **new full-time student enrollment records every year for the past decade**, with the fall of 2014 enrollment more than 14,700 students.

**Continued diversity of the NDSU student body** — fall 2014 enrollment included 1,059 international students representing 69 countries and an increasing number of U.S. born students reflecting ethnic, cultural and geographical diversity.

**NDSU's out-of-state-students are choosing to stay in North Dakota** for their first jobs after graduation. They contribute back to the tax base above state averages.

**Student job placement in their major field of study achieved a record 89% success.**

**Completed construction of a major indoor track facility and initiated new construction and renovations as part of the new Sanford Health Athletic Complex.**

**Expanding academic collaborations** include development of undergraduate and graduate programs with Minot State (social work and human development), and NDSCS (the "Pathways" program, and the establishment of a two-year liberal arts preparatory program in the Fargo area, as well as a "reverse" transfer option).

**System-wide support of academic support functions** in IT-based data storage, academic computing (NDSU is the SBHE recognized supercomputing facility for the state), communication, emergency response and support technologies that provide the backbone of many NDUS institutions and the support of their collective academic communities. By blending system resources with the campus-based expertise requisite to major research university environments, NDSU is in many areas best positioned to efficiently provide services to its sister institutions through an increasing number of NDSU shared services.

**Continued involvement with the Research and Technology Park and emerging technology firms** that have created several thousand new jobs, including employment of over 100 NDSU undergraduate and graduate students. A recent purchase and planned expansion in the park will exhaust current space and has triggered initial consideration of "phase II" locations for future development.

**Solidified NDSU as one of the most successful overall NCAA Division-I athletic programs in the nation.** NDSU student-athletes' commitment to excellence helped shine a national spotlight on an athletics program celebrating its 10<sup>th</sup> year of NCAA Division I competition. NDSU recorded league championships in nine sports, the most recorded in a single year in the storied history of NDSU athletics. The 411 student-athletes at NDSU combined for a 3.13 GPA, which exceeds that of the overall student body, and more than 60 athletes achieved a perfect 4.0 GPA in the spring 2014 semester.

### Planning for the Future

A strategic planning process was initiated almost three years ago. That process will be completed in early 2015. In fall 2014, three task forces, focusing on student learning, outreach, and research and discovery, were convened by Provost Ingram and others. These committees are charged with summarizing the findings of the past three years and soliciting input from

faculty, staff, students and external constituencies. In January, the three separate reports will be combined into a single document that will subsequently be distributed to campus and to external stakeholders for discussion and refinement. This document will guide the distribution of new and existing financial resources to the strategic priorities of NDSU.



## PROGRAMS & DEGREES

### Undergraduate Programs

Majors	101
Degree Programs	163
Minors	75
Certificate Programs	5

### Graduate Programs

Master's Degree	84
Doctoral Degree	51
Certificate Programs	12

### University Totals

Total All Majors (UGRD & GRAD disciplines, unduplicated)	217
Total Degree Programs (UGRD & GRAD program/ degree combinations)	298

### Degree Types Awarded

Baccalaureate (B.S., B.A., B.F.A., etc.)	17
Master's (M.A., M.S., M.B.A., etc.)	15
Doctorate (Ph.D., Ed.D., D.M.A., etc.)	3
Professional (Pharm D., D.N.P.)	2
Specialist (Ed.S.)	1

### Spring 2014 Degrees Awarded

Bachelor's	1,217
Master's	232
Doctorate	44
Professional	81
Certificates	11
Secondary or Tertiary Majors	90
Minors	711

Source: NDSU.edu/data

## Enrollment Updates

### Fall 2014

NDSU's official fourth-week enrollment is 14,747 undergraduate, graduate and professional students, setting another enrollment record this fall, while also:

Enrolling largest number of North Dakota high school graduates in the state System

Enrolling largest number of full-time out-of-state students in ND

Enrolling largest number of full-time students in ND

Increasing both the average high school GPA to 3.43 and average ACT score to 24.02 (the average ACT is highest in the state System)

Increasing the total graduate degrees awarded over the past 5 years

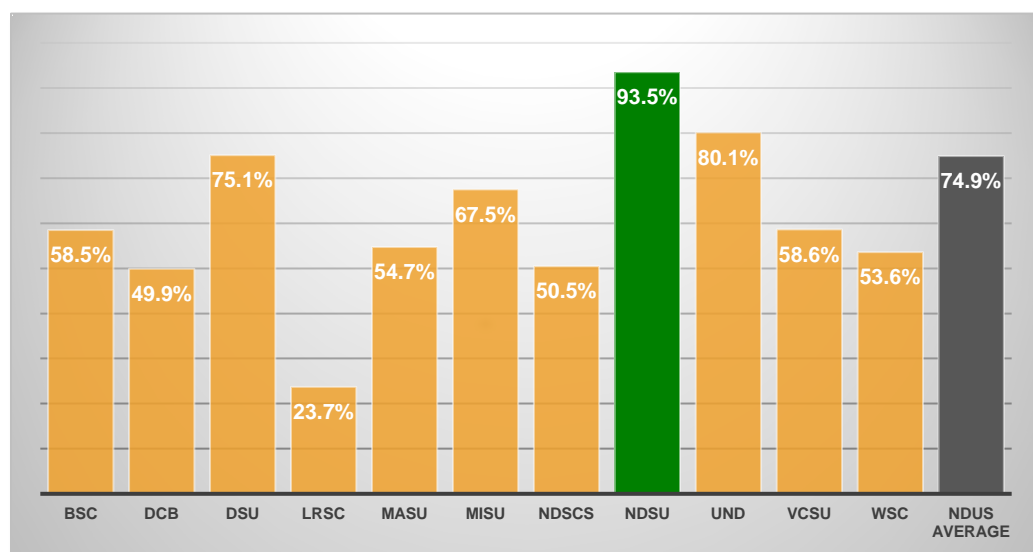
Enrolling most students taking face-to-face classes on-campus in state System

Becoming institution of choice for ND high school graduates

Source: NDUS 2014 Campus Snapshot – North Dakota State University

### Face-to-Face Fall 2013 On-Campus Percentages

At NDSU, 13,672 of 14,629 students are face-to-face with faculty in traditional classroom settings



Source: NDUS Fall 2013 Enrollment Report  
NOTE: Fall 2014 unavailable at this time

# Enrollment Updates

## Fall Enrollment Data

From 2000 to 2014, student demand has increased by 4,853 additional students, or approximately 49 percent

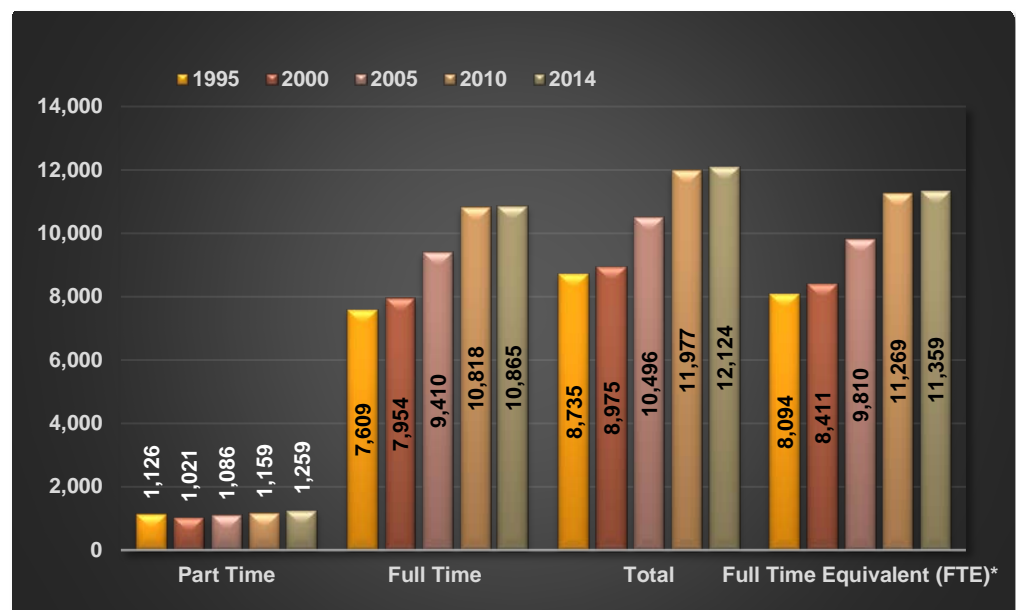
	FT	FTE
2000	8,032	8,880
2001	8,677	9,472
2002	8,880	9,840
2003	9,177	10,210
2004	9,536	10,615
2005	9,894	10,674
2006	10,053	10,857
2007	10,342	11,113
2008	11,004	11,797
2009	11,679	12,564
2010	11,857	12,771
2011	11,675	12,620
2012	11,733	12,704
2013	11,798	12,804
2014	11,917	12,950



**Headcount:** All students, regardless of number of credit hours  
**Full-Time (FT):** Students enrolled in 12 credit hours or more  
**Full-Time Equivalent:** Total FTE + FTE of Part Time

Source: VP Student Affairs Office

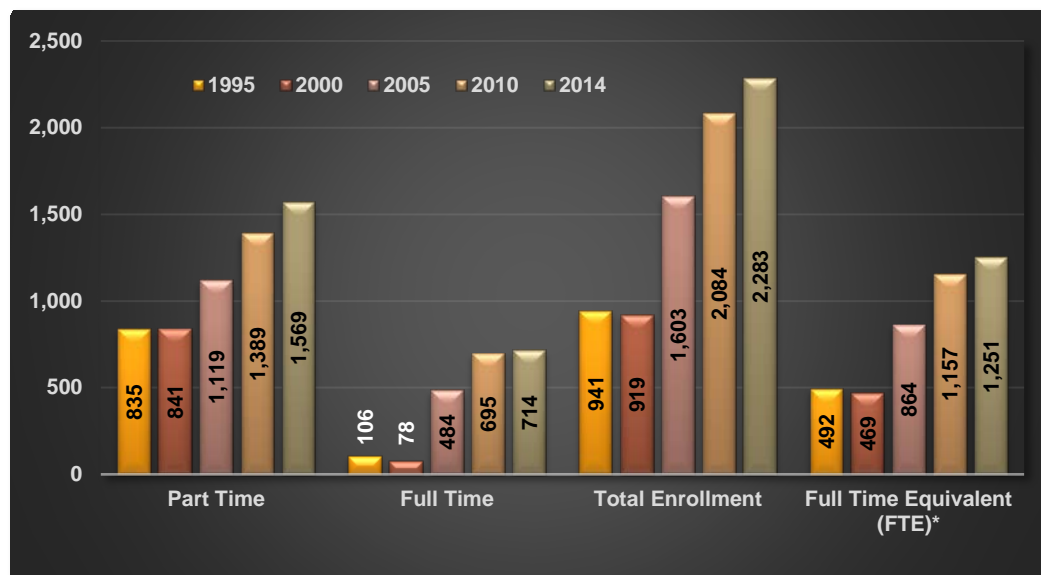
## Undergraduate



\* Full Time Equivalent (FTE): Total FTE + FTE of Part Time

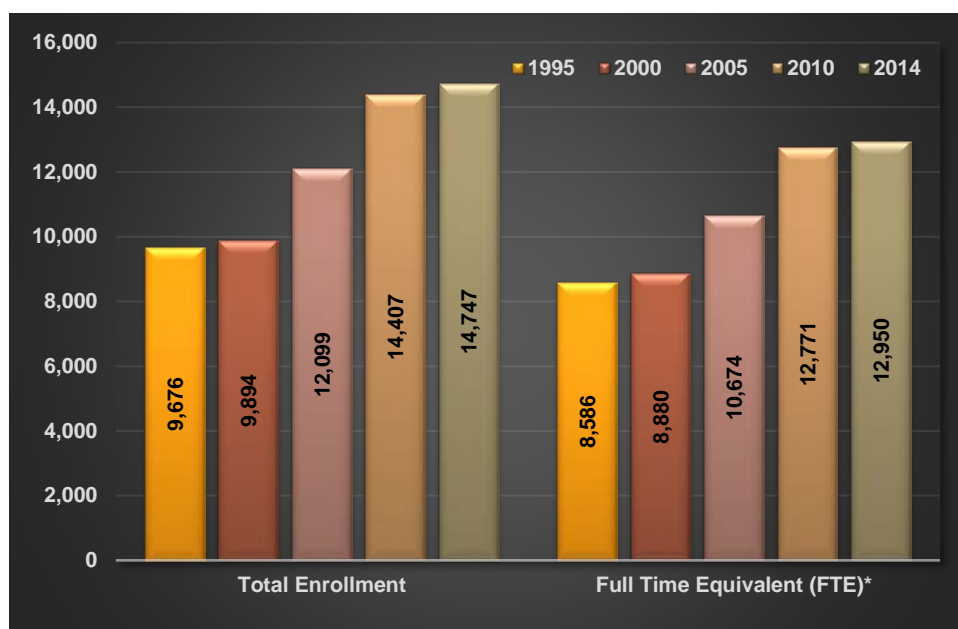
# Enrollment Updates

## Graduate



\* Full Time Equivalent (FTE): Total FTE + FTE of Part Time

## Total Enrollment & FTE

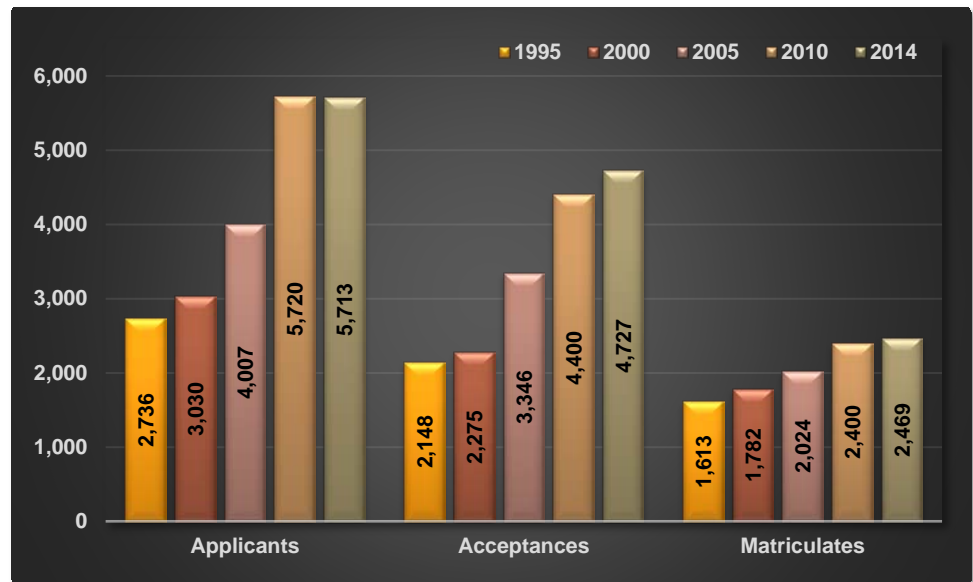


\* Full Time Equivalent (FTE): Total FTE + FTE of Part Time

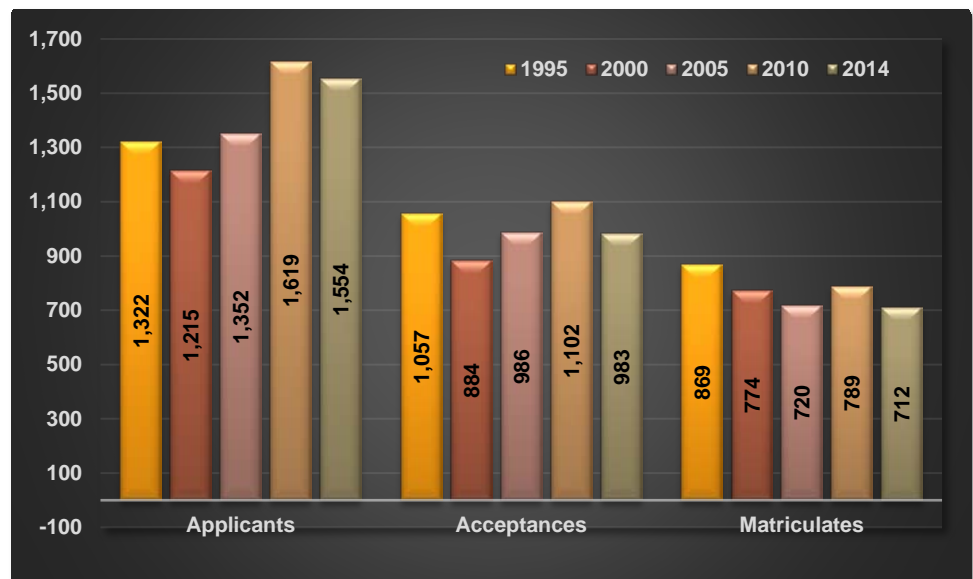
# Enrollment Updates

## Applicants, Acceptances, Enrollments

### Freshman

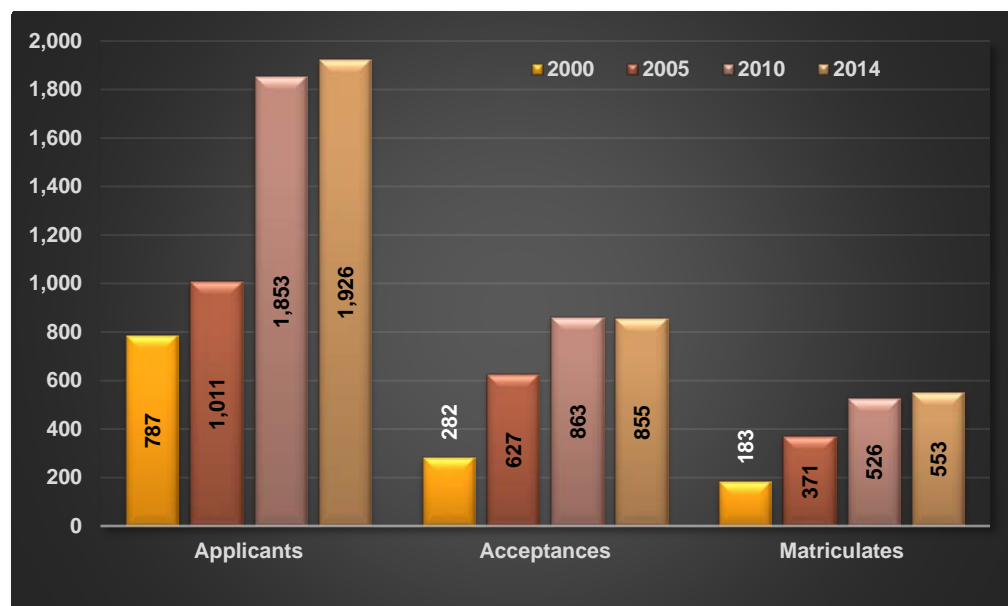


### Transfers



# Enrollment Updates

## Graduate



NOTE: Information unavailable for 1995

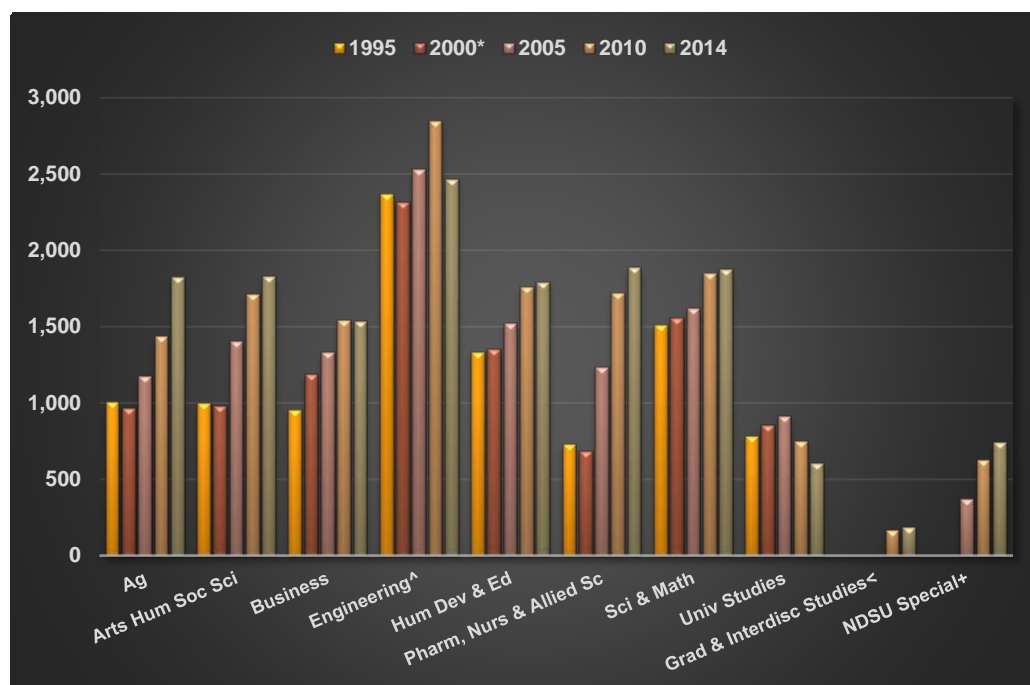
## Enrollment by College

\* Includes data for all degree credit enrollments including co-op, Tri-College & continuing education

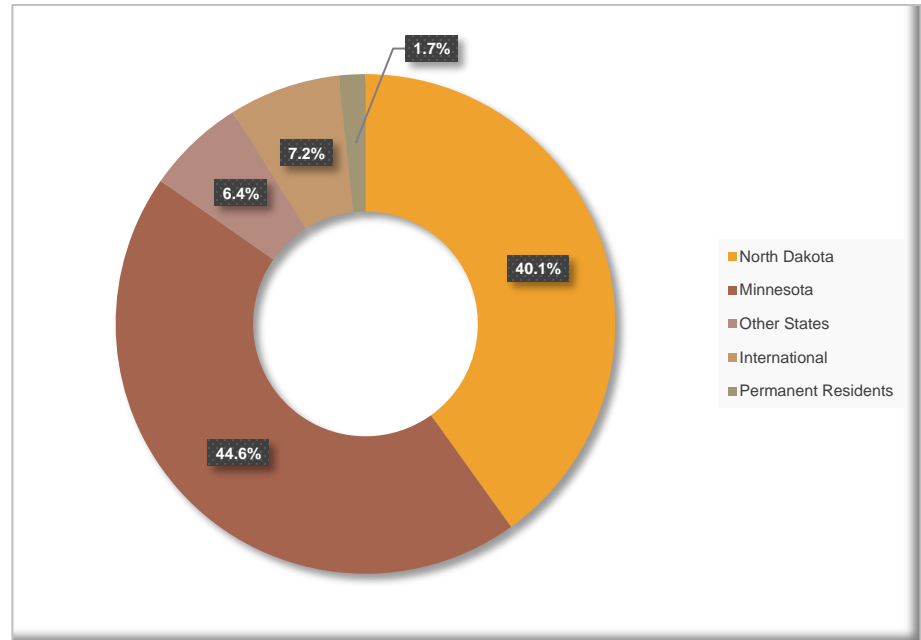
^ Architecture/Landscape Architecture relocated from College of Engineering & Architecture to College of Arts, Humanities & Social Sciences in 2013. College of Engineering is renamed

< Graduate & Interdisciplinary Studies – new college spring 2006

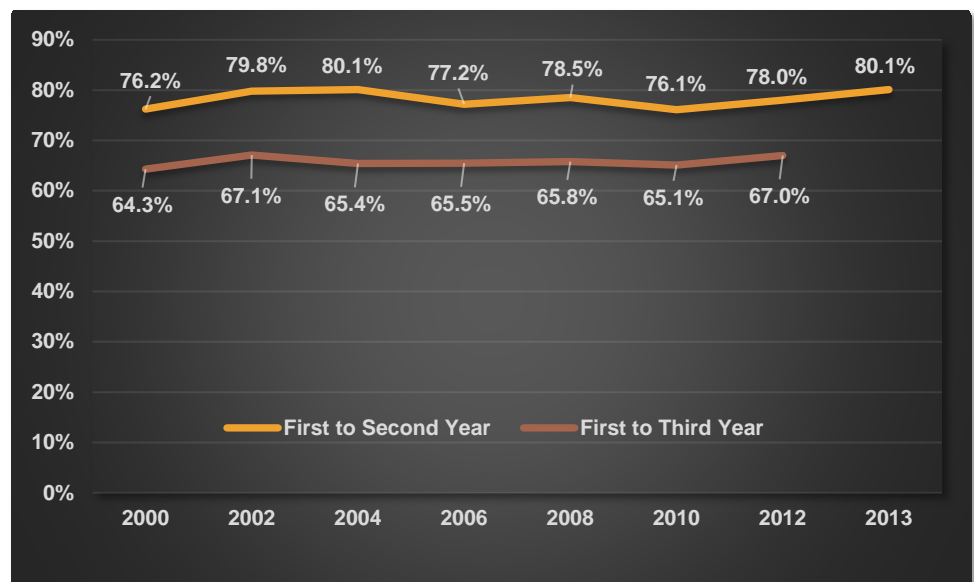
+ Reclassified as NDSU Special effective 2006; includes Tri-College, collaborative & non-degree seeking students



## Student Mix



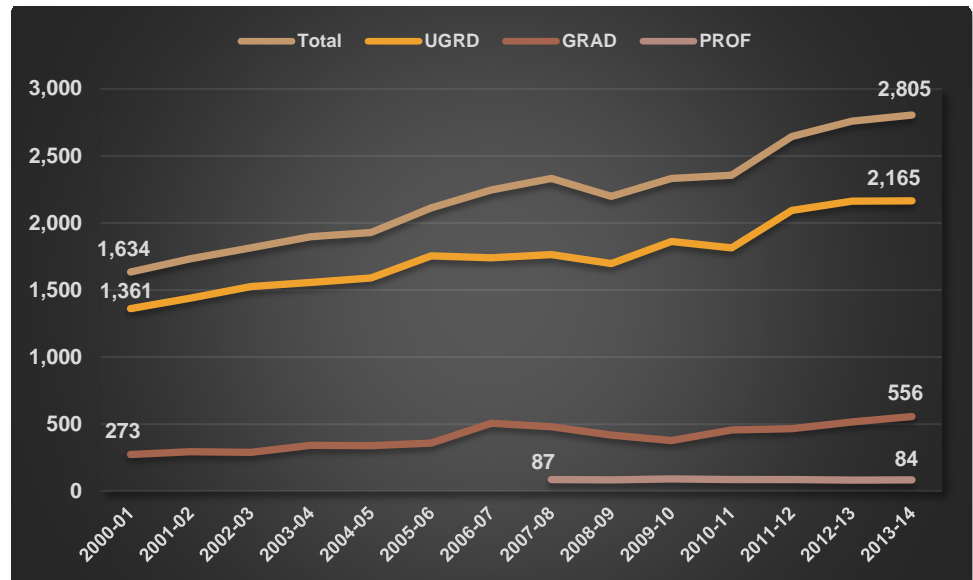
## Retention Rates



# Enrollment Updates

## Graduation Numbers

Pharm D program graduates are included in the Professional (PROF) category  
 Graduate (GRAD) totals include degrees awarded at the master, doctoral and professional doctorate levels, excluding the Pharm D degree  
 Figures indicate total number of degrees conferred, not headcounts. Some duplication may exist among students who earned more than one degree type.



## Graduation Rates

Entering Class	4 Years	5 Years	6 years
2000	17.4%	42.8%	50.9%
2001	14.1%	38.3%	46.5%
2002	22.4%	44.0%	49.2%
2003	22.9%	48.0%	52.0%
2004	24.9%	45.9%	53.2%
2005	23.3%	47.0%	53.7%
2006	23.8%	46.1%	52.7%
2007	25.5%	46.0%	53.1%
2008	25.2%	49.1%	56.1%
2009	26.9%	49.1%	N/A
2010	26.8%	N/A	N/A



## Tuition, Costs & Financial Aid

### Tuition and Required Fees (Fall 2014 and Spring 2015 Rates)

**NOTE:** The tuition and fee rates below do not include [course fees](#) or [program fees](#)

Undergraduate (Academic Year)	Base Tuition	Fees <sup>^</sup>	Room & Board*	TOTAL
<b>North Dakota Resident</b>	\$6,604	\$1,216	\$7,282	\$15,102
<b>Minnesota Reciprocity</b>	\$7,396	\$1,216	\$7,282	\$15,894
<b>Tuition Exchange Resident</b>	\$9,906	\$1,216	\$7,282	\$18,404
<b>Other Non-Resident</b>	\$17,633	\$1,216	\$7,282	\$26,131

<sup>^</sup> **Student fees** cover the cost of selected university programs and activities, admission to fine arts and athletic events, student publications, technology and health and wellness services; does not include the \$120 new student fee

\* Several **room and board** arrangements are available for on-campus housing. Rates presented here reflect arrangements most commonly selected by new freshmen – a double room and the 7-Day meal plan. Rates and plans vary – see [Dining Services](#) and [Residence Life](#) for more information

Graduate (Base Rate Tuition & Student Fees)	Full-Time (Per Academic Year) 12 or more credits	Part-Time (per Credit) 1 to 11 credits
<b>North Dakota Resident</b>	\$8,299	\$346
<b>Minnesota Reciprocity</b>	\$10,212	\$426
<b>Tuition Exchange Resident</b>	\$11,840	\$493
<b>Other Non-Resident</b>	\$20,128	\$839

### NDSU Student Success Tuition Model (SSTM) – Differential Tuition

- Combines tuition and program fees into single rate of differential tuition for higher cost program areas
- 100% of differential revenue is allocated back to respective program areas:
  - Pharmacy, Engineering, Nursing, Architecture, and Business
- Model also promotes student awareness of time to degree completion with restructure of full time student definition to encourage full time, 15-credit academic load
- Financial planning for education costs also becomes more transparent and predictable to students and their families by incorporating and disclosing costs as part of tuition

#### MINNESOTA RECIPROCITY

112% of ND resident undergraduate and 127% of ND resident graduate rates based on program of instruction

#### TUITION EXCHANGE

Eligible for tuition at 150% of NDSU's resident tuition

#### Western Undergraduate Exchange (WUEP):

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming and the Commonwealth of the Northern Marianas Islands

#### Midwest Student Exchange Program (MSEP):

Illinois, Indiana, Kansas, Michigan, Missouri, Nebraska, Wisconsin

#### Contiguous:

Manitoba, Montana, Saskatchewan, South Dakota

#### Alumni Tuition Incentive Program:

New undergraduate students who are otherwise non-resident students and resident of states or provinces not engaged in reduced tuition structure and are children or spouses of ND college and university graduates

## Tuition, Costs & Financial Aid

This tuition model is being replaced with the **NDUS Pathways Tuition Model**. The university system has been working to develop a comprehensive tuition model with the goals of increased simplicity and transparency. In order to achieve these overarching goals, the Chancellor has recommended a model that incorporates the following elements:

- Flat rate to per credit hour tuition instituted, at most campuses
- Non-mandatory fees blended with tuition to the greatest extent possible
- Tuition rates established and/or existing rates blended into a single combined on-campus and on-line tuition rate incorporating all degree eligible delivery modes
- Differential tuition rates recognized, where needed, to address high cost or unique programs
- Residency rates changed
- Limits placed on waivers
- Fiscal impact to the “typical” campus student minimized, over time

### Differential Tuition

The differential tuition figure replaces the base tuition figure. Several programs charge differential tuition to cover the costs of additional resources and facilities associated with those programs. Differential tuition is assessed to:

- Students interested in architecture & landscape architecture, business, engineering, nursing and pharmacy
- Students accepted into the professional phase of the program, with the exception of engineering programs. (All engineering students pay differential tuition).

**NOTE:** All rates are full-time (per academic year) and do not include student/program/course fees:

<b>UNDERGRADUATE PROGRAMS</b> (Replaces Base Rate):	<b>North Dakota Resident</b>	<b>Minnesota* Resident</b>	<b>Tuition Agreement State Resident</b>	<b>Non- Residents</b>
<b>Engineering</b> Begins Freshman Year	\$7,268	\$8,140	\$10,900	\$19,404
<b>Architecture &amp; Landscape Architecture</b> Begins Sophomore Year	\$8,786	\$9,840	\$13,118	\$23,456
<b>Nursing</b> Begins Sophomore Year	\$7,646	\$8,564	\$11,470	\$20,416
<b>Business</b> Begins Junior Year	\$6,918	\$7,748	\$10,376	\$18,468
<b>Pharmacy</b> Begins Junior or Senior Year	\$13,032	\$13,868	\$19,546	\$34,792
<b>GRADUATE PROGRAMS</b> (Replaces Base Rate):	<b>North Dakota Resident</b>	<b>Minnesota* Resident</b>	<b>Tuition Agreement State Resident</b>	<b>Non- Residents</b>
<b>Engineering</b>	\$7,746	\$9,838	\$11,620	\$20,684
<b>Architecture</b>	\$9,264	\$11,764	\$13,894	\$24,732
<b>Nursing</b>	\$8,126	\$10,320	\$12,190	\$21,696
<b>Masters of Public Health</b> (Tuition does not cap)	\$643/cr	\$772/cr	\$965/cr	\$965/cr

\* All Minnesota rates are per the MN Reciprocity Agreement except the Pharmacy Program, which is excluded from the agreement. Minnesota residents who have not been approved by the state of Minnesota for the Reciprocity rates will be charged the Tuition Agreement tuition rate.

## Tuition, Costs & Financial Aid

### Resident Tuition & Fee Comparison (2014-2015)

Campus	Tuition & Fees per Academic Year			Tuition & Fees per Credit Hour			
	Tuition	Fees	Total	Tuition	Fees	Total	Credits
NDSU	\$6,604	\$1,216	\$7,820	\$291	\$51	\$342	12
UND	\$6,388	\$1,353	\$7,741	\$266	\$56	\$322	12
U of MN	\$12,060	\$1,566	\$13,626	\$464	\$60	\$524	13

### A Comparison of North Dakota and Regional Averages - 2013-14 Resident Undergraduate Tuition and Mandatory Fees

								1/ 2013-14 Rate as a % of Median Income of Households
Doctoral Universities	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
North Dakota Average	\$6,053	\$6,370	\$6,569	\$6,798	\$7,134	\$7,244	\$7,524	13.5%
+(-) prev yr-\$	\$311	\$317	\$199	\$229	\$336	\$111	\$280	
+(-) prev yr-%	5.4%	5.2%	3.1%	3.5%	4.9%	1.5%	3.9%	
Colorado	6,635	7,278	7,932	8,511	9,152	9,482	10,347	18.1%
Iowa	6,161	6,360	6,651	6,996	7,486	7,726	7,726	14.5%
Kansas	6,600	7,042	7,414	8,025	8,469	8,888	9,278	18.6%
Minnesota	9,598	10,634	11,293	12,288	13,060	13,524	13,618	22.0%
Missouri	8,098	8,467	8,501	8,501	8,928	9,272	9,430	18.9%
Montana	5,141	5,141	5,334	5,476	5,722	5,973	6,045	13.4%
Nebraska	6,216	6,585	6,857	7,312	7,648	7,984	8,060	15.4%
Oklahoma	5,607	6,493	6,493	6,784	7,124	7,340	7,340	15.2%
South Dakota	5,393	5,828	6,468	6,762	7,209	7,704	8,022	16.2%
Wisconsin	7,184	7,569	8,310	8,987	9,672	10,385	10,402	19.6%
Wyoming	3,552	3,621	3,726	3,927	4,125	4,278	4,404	7.7%
Regional Average	\$6,380	\$6,820	\$7,180	\$7,597	\$8,054	\$8,414	\$8,607	16.4%
+(-) prev yr-\$	\$327	\$439	\$360	\$417	\$457	\$360	\$192	
+(-) prev yr-%	5.4%	6.9%	5.3%	5.8%	6.0%	4.5%	2.3%	

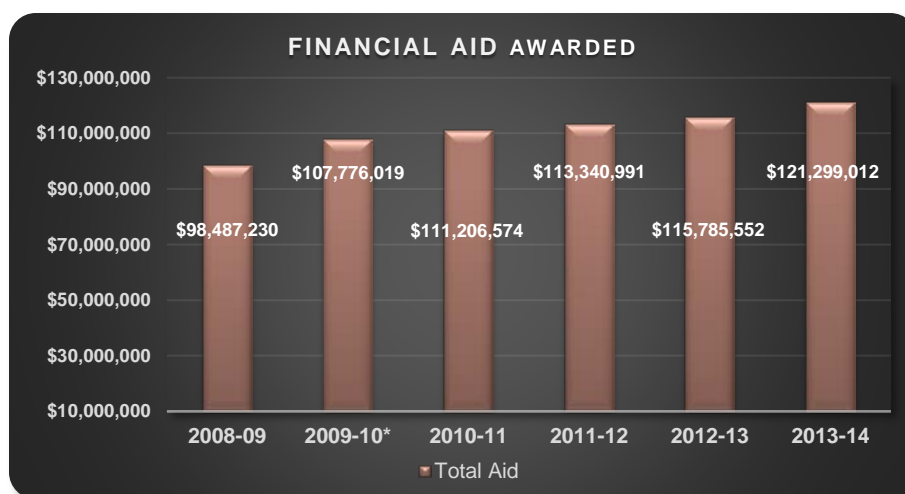
Source: NDUS 2014 Student Affordability Report – Revised October 2014

## Tuition, Costs & Financial Aid

### Student Financial Aid Summary

#### Financial Aid Awards

Academic Year	Total Amount	No. of Students	% of Enrollment	Total Enrollment
2008-09	\$98,487,230	10,775	81.50%	13,229
2009-10*	\$107,776,019	11,358	80.10%	14,189
2010-11	\$111,206,574	11,483	79.70%	14,407
2011-12	\$113,340,991	11,681	81.10%	14,399
2012-13	\$115,785,552	11,878	82.20%	14,443
2013-14	\$121,299,012	11,959	81.75%	14,629



\* Beginning with 2009-10 and forward, veterans benefits were no longer considered a resource for financial aid purposes; therefore, total aid from 2009-10 and forward does not include veterans benefits

2013-14 Financial Aid Breakdown		
Type of Aid	Amount	Categories
Grants	\$13,011,722	Federal Pell Grant, Federal Supplemental Grant, Student Support Services Grant, ND State Grant
Loans/Work Study	\$73,977,088	Federal Direct Loan, Federal Perkins Loan, Private Alternative Loans, Work Study
Scholarships	\$30,388,602	Institutional, Private, State
Other Paid Tuition	\$3,951,600	National Guard, Other Third Party Paid Tuition
<b>TOTAL</b>	<b>\$121,329,012</b>	

# Budgetary Highlights

## Budget Process

**Planning:** Budget process and priorities are discussed and planned by the President and the President's cabinet. In support of the institutional priorities and budget decisions made, the Budget Office updates budget schedules and revenue projections to determine tentative funds available.

**Preparation:** Budgets are prepared and reviewed by units before submission to the Budget Office and must reflect all revenue and expense activity for the upcoming year, based on the best information available at the time of budget preparation.

**Review:** Budgets submitted by units are reviewed and compiled by the Budget Director and Budget Analysts to ensure accuracy and compliance with established guidelines. The Budget Office assembles documents, prepares schedules and projections and performs a comparison of budget to available funding. The final budget documents are reviewed and approved by the President before being submitted to the University System Chancellor for final approval.

**Monitoring:** Responsibility for monitoring and comparing of budget to actual revenue and expenditures occurs at various levels within the University. For example, each department is responsible for monitoring and reviewing budgets on a regular basis and are responsible for living within their budget.

## Biennial Budget

The 63<sup>rd</sup> Legislative Assembly (2013) approved a state general fund appropriation for the 2013-15 biennium of \$140.3 million for NDSU, including \$6.4 million in equalization funding as determined by the new student credit hour funding model approved during the legislative session.

General funds have been allocated to support:

- Recruitment and retention efforts, including experiential programs and improving student advising
- Academic initiatives/needs to address state and regional work force needs
- Equalization payment used for institutional priorities as necessary in support of academic affairs general operations, including salaries for faculty and staff, operating costs and equipment

# Budgetary Highlights

## Annual Budget

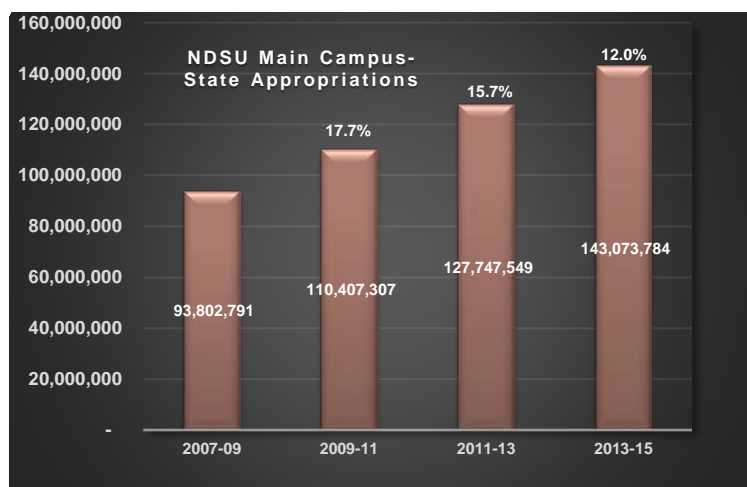
The average salary increase for all eligible employees, excluding Forest Service and Ag related entities, was 3.1 percent.

One-time allocations were made to a variety of programs. Examples include:

- Leadership searches; Provost, Deans
- Campus security/emergency planning
- Campus improvements and deferred maintenance projects
- Advertising/marketing initiatives
- Classroom equipment and technology upgrades/refreshes
- Higher Learning Commission

## State Appropriations

### NDSU Main Campus State Appropriations



2013-15 state appropriations were made using the legislatively approved ND Higher Education Funding Formula. Amounts include deferred maintenance but **exclude** capital projects, Agricultural Experiment Station and other similar separately appropriated agencies.

## Budgetary Highlights

### General Fund Appropriations for NDSU (by North Dakota Legislature)

Fiscal Year	Salaries, Operating & Equipment	Capital Improvements	Yearly Grand Total	Biennial Total
2015	\$ 67,839,185	\$ 38,315,656 *	\$ 106,154,841	\$ 176,840,714
2014	\$ 68,767,355	\$ 1,918,518 **	\$ 70,685,873	
2013	\$ 77,445,495	\$ 1,993,813	\$ 79,439,308	\$ 133,875,595
2012	\$ 48,235,092	\$ 6,201,194 *	\$ 54,436,286	
2011	\$ 54,470,160	\$ 9,425,072 *	\$ 63,895,232	\$ 125,996,580
2010	\$ 54,835,385	\$ 7,265,963 *	\$ 62,101,348	
2009	\$ 55,197,103	\$ 5,591,680 *	\$ 60,788,783	\$ 110,952,354
2008	\$ 47,046,090	\$ 3,117,481	\$ 50,163,571	
2007	\$ 41,761,958	\$ 258,497	\$ 42,020,455	\$ 86,793,615
2006	\$ 43,299,070	\$ 1,474,090	\$ 44,773,160	
2005	\$ 38,154,841	\$ 706,168	\$ 38,861,009	\$ 79,749,610
2004	\$ 40,182,433	\$ 706,168	\$ 40,888,601	
2003	\$ 40,226,452	\$ 992,388	\$ 41,218,840	\$ 80,543,682
2002	\$ 38,579,702	\$ 745,140	\$ 39,324,842	
2001	\$ 37,111,009	\$ 683,188	\$ 37,794,197	\$ 74,921,622
2000	\$ 35,170,058	\$ 1,957,367	\$ 37,127,425	

\* Figure includes state funding for Minard Hall Project: \$17,500,000

\*\* Figure includes state funding for STEM Building Project: \$29,367,709  
Unexpended FY14 Capital Improvements will be carried over to FY15

### Budget to Actuals

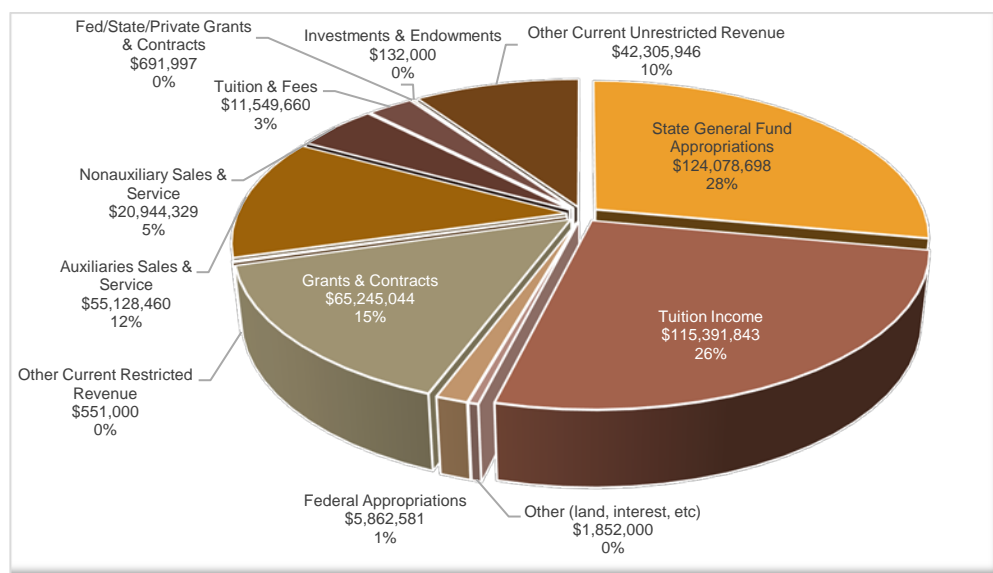
NDSU-Main Campus Budget to Actuals	FY 2013-14				FY2014-15	
	Budget	Actual	Dollar Change	Percent Change	Budget	Actual thru 9.30.14
Revenues:						
State Appropriations-General Fund	\$ 68,767,355	\$ 68,767,355	\$ -	0.0%	\$ 67,839,185	\$ -
Tuition Income (net)	91,959,069	95,228,973	3,269,904	3.6%	96,791,843	41,771,421
Other State Appropriations-Land Income	1,027,000	1,035,250	8,250	0.8%	1,027,000	-
	<u>\$ 161,753,424</u>	<u>\$ 165,031,578</u>	<u>\$ 3,278,154</u>	<u>2.0%</u>	<u>\$ 165,658,028</u>	<u>\$ 41,771,421</u>
Expenditures:						
Total operating: incl salaries and benefits, operating and other	<u>\$ 161,753,424</u>	<u>\$ 162,771,955</u>	<u>\$ 1,018,531</u>	<u>0.6%</u>	<u>\$ 165,658,028</u>	<u>\$ 39,877,285</u>

Note: Amounts do not include capital projects, NDSU Agriculture Research and Extension Service and other related agencies



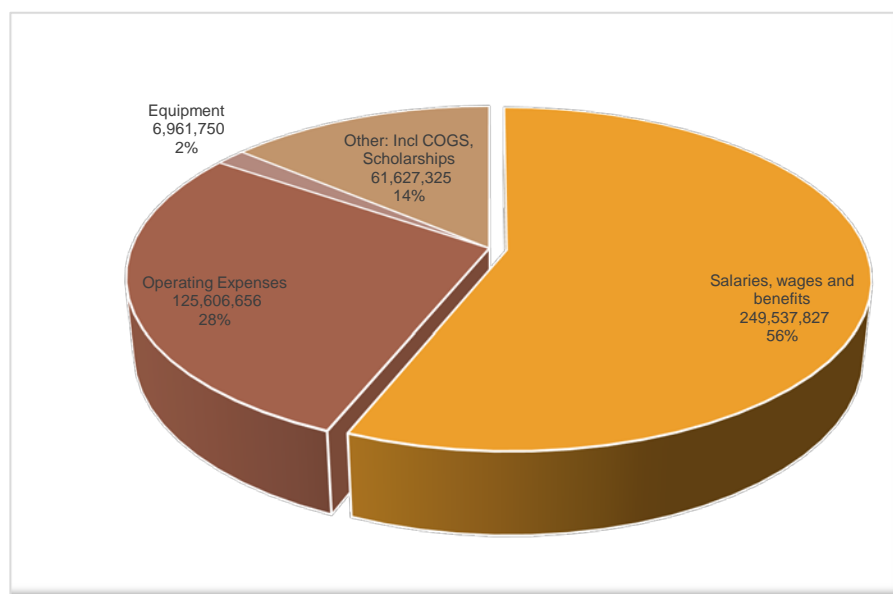
# Budgetary Highlights

## NDSU 2014-2015 Annual Budget - \$ 443,733,558



The activities of all NDSU entities are combined in this graph, including the Agriculture Experiment Station and other similar separately appropriated agencies. Capital projects are excluded.

## NDSU 2014-15 Operating Budget - \$443,733,558



### Changes to State Funding -

#### ND Higher Education Funding Formula

The 2013 North Dakota Legislative Assembly approved the Governor's recommendation for a more transparent and equitable mechanism for providing state funding of higher education. The new formula recognizes the relative cost of education for each institutional tier (two-year colleges, four-year universities and research universities) and uses completed student credit hours that have been weighted for these relative costs (instruction, physical plant and volume), as the sole basis for the funding allocation.

The formula equalized funding using student credit hours within tiers with \$16.5 million appropriated to transition all tiers to the new formula. NDSU received \$6.4 million in base funding for the equalization. After equalization, state base funding was allocated using the equalized and weighted per student credit hour amount as determined for the research tier of \$71.41.

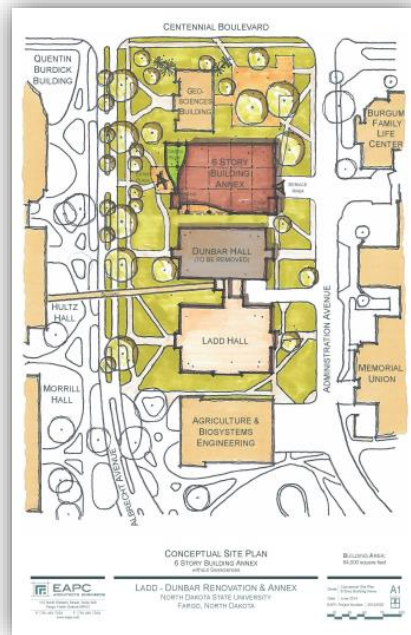
Our current 2015-17 biennial budget proposal has a request for \$11,352,682 based upon the current formula. Our current per credit cost would be \$70.75.



# Planned Improvements

## 2015-17 Major Capital Project Requests – State Funded

### Dunbar II - \$45,900,000



New six-story building replacement

- ~106,000 square feet

Minimizes educational programs & research having to be off-line during renovation

- No other facilities on campus contain infrastructure where activities could be moved

Consolidates Departments of:

- Chemistry & Biochemistry
- Geosciences
- Center for Protease Research shared CORE laboratories

Accommodates:

- Upper-level undergraduate students
- Graduate students
- Faculty (offices, research)
- Improved lab areas

Project will address:

- Safety and code concerns
- Critical deferred maintenance issues
- Accessibility (ADA compliance)
- Space issues

### Pharmacy, Nursing & Allied Sciences (PNAS) - \$32,700,000

Sudro Addition

- Five-to-six stories; 93,000 square foot building
- Includes partial renovation, update & repurpose of existing building (~26,000 sq ft)

Includes:

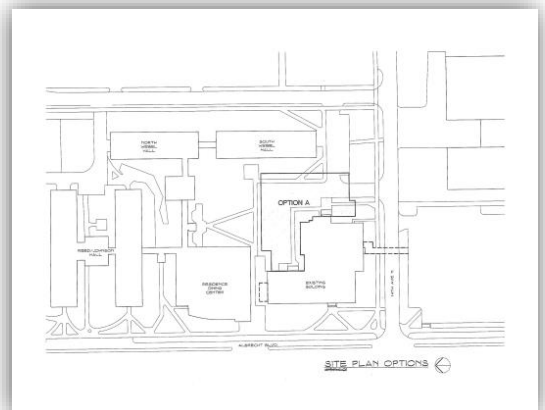
- Classrooms, offices, research & clinical labs, student study & library space, technology

Additional space for:

- Master of Public Health
- Master of Health Administration
- American Indian Public Health Resource Center
- Health Science Branch Library

Project will address:

- Critical accreditation shortfalls
- Space shortages resulting in:
  - Inefficient use of leased space
  - Repurposed student space due to programming needs
  - Shared faculty offices (FERPA issues)



# Planned Improvements

## Engineering (Project 1) - \$27,200,000

### New construction

- Three-to-four stories; 79,100 square feet
- Connecting to Electrical & to Civil & Industrial Engineering buildings

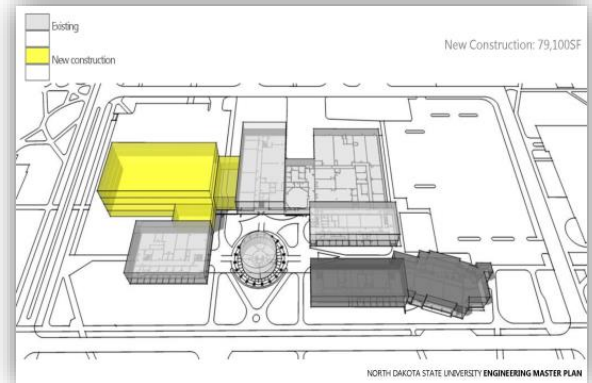
All Engineering disciplines located in new facility

Separation of space for disciplines

Projects 2 – 7 will be requested in future biennia

### Project will address

- Critical accreditation shortfalls
- Space shortages resulting in:
  - Inefficient use of leased space
  - Repurposed student space due to programming needs
  - Shared faculty offices (FERPA issues)



## 2015-17 Major Capital Project Requests – Non-State Funded (Bond/Local)

### Aquatic Center - \$11,000,000

#### Expansion to Wellness Center facilities

- ~29,000 square feet
- Locker & support facilities
- Aquatics facilities, including indoor leisure & indoor competition pool

#### Provide facilities for NDSU students

- New exercise options & relaxation
- Lifetime recreational activity
  - Component of physical wellness not currently offered on campus due to lack of functional swimming pool

#### Expand teaching abilities

#### Addition of intermural sporting options

#### Also open for use by faculty & staff

#### Student body voted & approved project

- April 2013 student-wide vote/approval
- Information presented to/through:
  - ~50-60 student organizations
  - Two student open forums
  - Multiple informational email messages via student body listserv & all 285 student organizations
  - Posters placed in Memorial Union & Wellness Center
  - Student newspaper (NDSU Spectrum)



## Research

### TOP 2%

NDSU is ranked in the **“Very High Research Activity”**

category by the Carnegie Commission on Higher Education - the tier representing the top two percent of all private and public universities in the nation

NDSU is the only North Dakota university ranked

### TOP 100

NDSU is listed in the top 100 research universities in the U.S. for R&D in:

*Agricultural Sciences (15)*

*Social Sciences (42)*

*Physical Sciences (82)*

*Chemistry (88)*

*Psychology (96)*

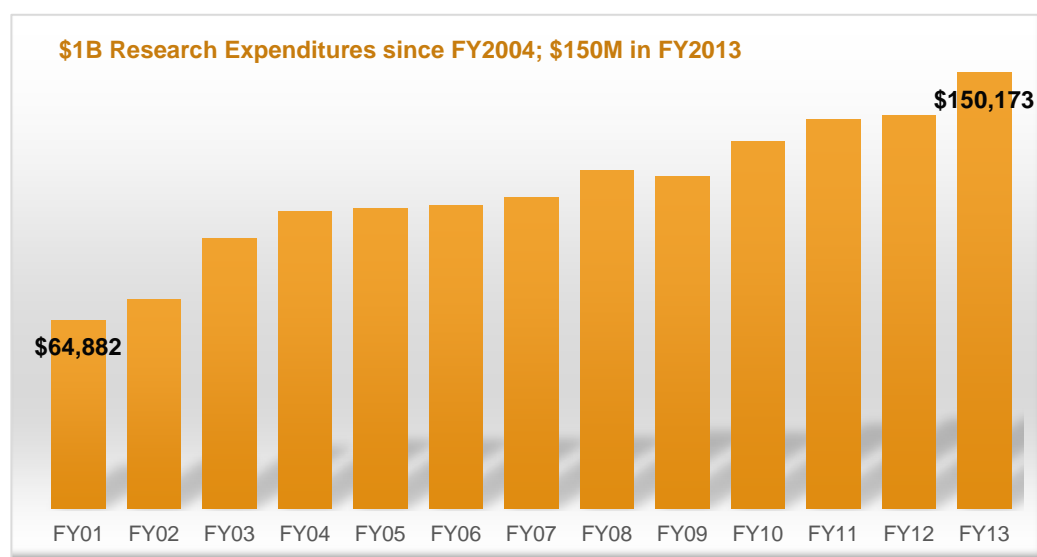
based on research expenditures reported to the National Science Foundation (NSF)

### \$1 BILLION

In research expenditures since FY2004 with \$150M in FY2013



Growth of NDSU Research & Development Expenditures (in thousands)

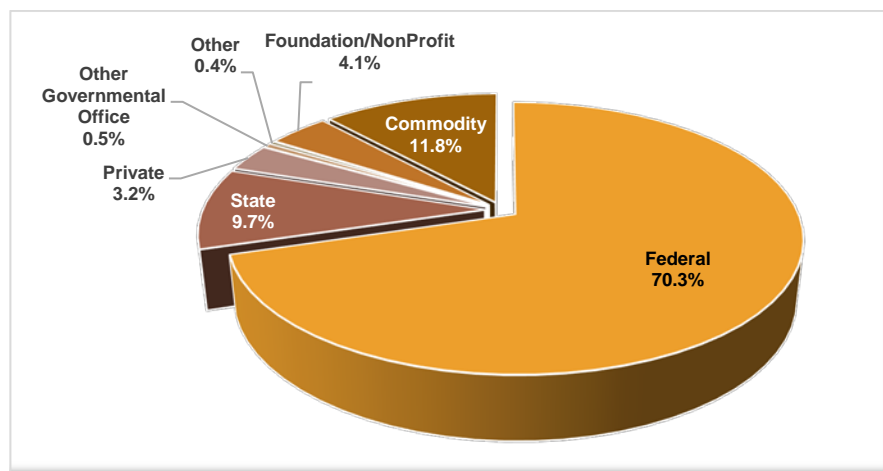


Source: National Science Foundation Higher Education Research and Development (HERD) Survey

Breakdown of External Awards and Federal Formula Funds (by category)

	FY2012	FY2013
<b>Total External Awards</b>	\$ 73,280,296	\$ 56,510,038
Hatch/McIntire-Stennis Funds	\$ 3,146,164	\$ 3,069,726
NDSU Extension Service Smith-Lever Formula Funds	\$ 3,829,145	\$ 3,726,971
Student Financial Aid	\$ 11,730,325	\$ 11,575,941
<b>Total Federal Formula Funds</b>	\$ 18,705,634	\$ 18,372,638
<b>GRAND TOTAL</b>	<b>\$ 91,985,930</b>	<b>\$ 74,882,676</b>

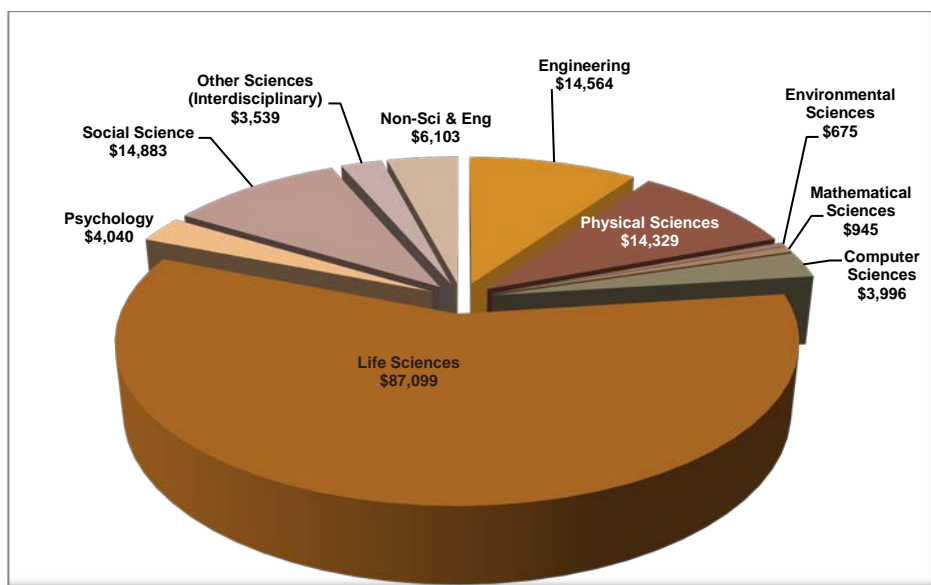
## Sources of External Awards



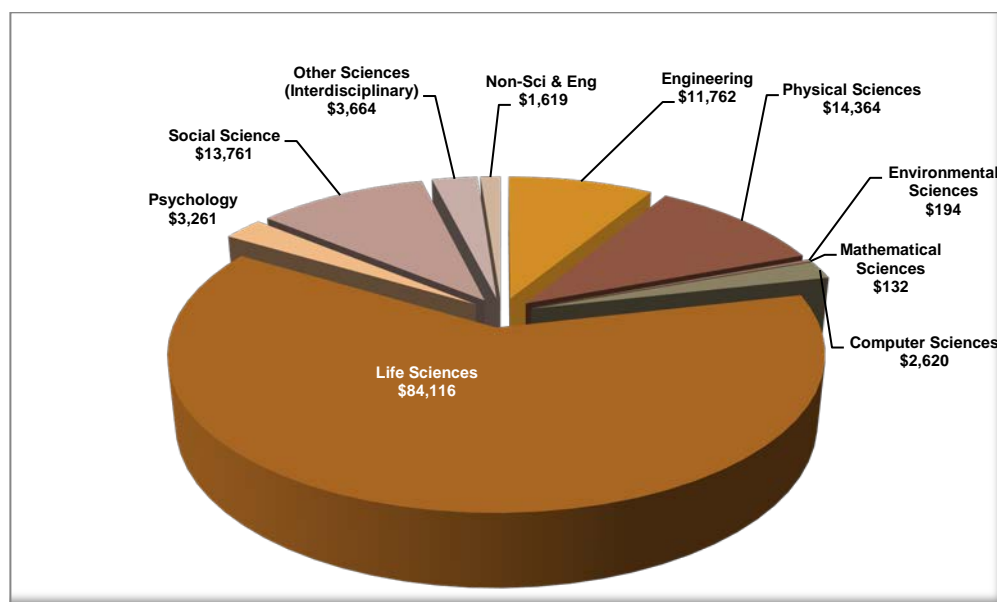
## NDSU's National Science Foundation (NSF) Survey of Research & Development Expenditures

The data represented below is generated from funding awarded to NDSU. Sources of funding include: Federal government, state and local government, industry, institution and other sources, such as non-profit foundations. Institutional funds included state appropriations, tuition and fees, and gifts expended for research and development activities. In addition, un-reimbursed indirect costs and cost sharing are included as part of the institutional data.

### Total R&D Expenditures FY2013 (\$ in 1000s)



*Total R&D Expenditures FY2012 (\$ in 1000s)*



Source: NSF HERD Report



# NDSU Development Foundation

The North Dakota State University Development Foundation creates opportunities to advance education, research and service at the University. We work in close collaboration with faculty, staff, students and alumni, along with businesses, different industries and the community, to best understand and represent common interests. With the needs of the entire university in mind, we efficiently and effectively raise funds, manage assets and administer other privately funded resources to stimulate continued development at NDSU.

The Foundation achieves success by:

- Partnering with the University community to deliver education at a higher level in new environments;
- Building on its strong relationship with the NDSU Alumni and the Alumni Association;
- Supporting the continuous improvement of the quality of an NDSU education, research, the University experience, and athletics;
- Recognizing best practices in the spirit of collaboration with other higher learning institutions for the mutual benefit of all;
- Working with the University to engage with state and local government, alumni, business and industry communities to stimulate University advancement and economic development through visionary planning, innovation and entrepreneurship;
- Communicating effectively with donors and partners on relevant issues and, our stewardship and recognizing them for their contributions; and
- Increasing the visibility of the University and enhancing its image – locally, regionally, nationally, and internationally.





## Current Needs

### Scholarships

- Merit Based
  - Presidential
  - Presidential Honor
  - Freshmen
- Need Based
- Graduate Student Fellowships

### Teaching Endowments

NDSU has identified five teaching endowment projects that require private contributions. These new endowments will afford the University's prominent teachers and scholars the freedom to carry their work forward. Each of these projects can be incorporated into any of the colleges, departments or programs housed within the University:

Endowment	Funding Required
<u>University Faculty Endowed Chair</u>	\$2,000,000 for each position
<u>Distinguished Professorship</u>	\$1,000,000 for each position
<u>Visiting Lectureship</u>	\$500,000 for each position
<u>Visiting Artist</u>	\$500,000 for each position
<u>Presidential Professorship</u>	\$250,000 for each position

### Library

The NDSU Development Foundation encourages alumni and friends to consider the establishment of named endowments to provide a permanent resource base for library acquisitions. Current funds are also needed for the purchase of materials in every subject area

from Agriculture, Business and Economic Development, to Communications, Education, History, and a variety of other topics.

### NDSU Impact Fund

The NDSU Impact Fund provides funding for programs that have a direct, positive impact on the lives of students. Available to students, faculty, staff and recognized student groups, the NDSU Impact Fund is supported by contributions from alumni, parents, friends and the Bison Bidders Bowl. The impact fund offers grants from \$20,000 to \$75,000 through the NDSU Impact Fund Grant Program.

### Edge Campaign (86% of Goal)

The "Building the Competitive Edge" campaign will provide a dramatic extension and renovation of the Bison Sports Arena that will transform the facility and the surrounding area, the Sanford Health Athletic Complex, into a true Division I athletic complex reflecting the new NDSU. Additionally, it will serve as the "front door" venue welcoming student-athletes and campus guests with the Bison Athletic Hall of Fame, Hall of Champions and various fan services and facilities.

### Cutting Edge (100% of Goal)

Investment in a new food production laboratory will give the College of Human Development and Education the necessary space and equipment to bring programs to the next generations and ensure students will be prepared for their best possible future.

Source: NDSUFoundation.com

## Fargo, ND

### At a Glance

Metro Populations: **219,477**  
Major Industries: **Agriculture, Technology**  
Gross Metro Product: **\$13.8B**  
Unemployment: **2.8%**

### Numbers

Job Growth (2013): **2.6%**  
Projected Annual Job Growth: **2.8%**  
Median Household Income: **\$51,652**  
Household Income Growth: **1.5%**  
High-Tech Employment: **4.3%**

### Housing

Median Home Price: **\$163,900**  
Home Price Change: **7.8%**  
Housing Affordability: **255**

### Education

High School Attainment: **94.9%**  
College Attainment: **37.1%**  
Graduate Degrees: **11.4%**

### Quality of Life

Cost of Living: **3.2% below nat'l average**  
Average Commute: **17 minutes**  
Crimes per 100,000 Residents: **2,314**  
Net Migration (2013): **540**

Data is for the metro area  
Sources: Forbes.com;  
(Moody's Analytics; Sperling's BestPlaces;  
U.S. Census).  
Numbers as of July 2014



## North Dakota - Live, Work, Play

### Fargo-Moorhead

**Source:** Greater Fargo Moorhead Economic Development Corporation (unless otherwise indicated)

Fargo Moorhead's economy consistently ranks among the highest of 381 metropolitan areas in vitality, according to Moody's economy.com. Gains in income and employment consistently exceed the national average, and the region has one of the lowest unemployment rates in the nation. Our community benefits from a diverse and solid base of industry that includes national and global names like Microsoft, John Deere, Bobcat, Case New Holland, Caterpillar, Nokia, Titan Machinery, Tech Mahindra, U.S. Bank, Bank of the West, and Wells Fargo.

### Economic Indicators

Data	2009	2010	2011	2012	2013
Total employment	115,961	115,766	115,225	116,061	117,286
Change over previous year (%)	-1.3	-0.2	-0.5	0.1	1.0
Unemployment Rate (%)	4.3	4.1	4.0	3.4	3.2
Average Annual Wage	\$37,284	\$38,220	\$40,196	\$41,964	\$42,868
Average Annual Wage Growth (%)	1.4	2.5	5.2	4.4	2.2

**Source:** Job Service ND; LAUS and QCEW

# 5,765

#### JOB OPENINGS IN THE FARGO MOORHEAD MSA

Fargo Moorhead's labor market epitomizes the Midwestern work ethic. Local employers enjoy a stable base of employees with high productivity, low turnover and low absenteeism.

### National Rankings of the Fargo Moorhead Business Climate

#1 in Forbes **Best Small Places for Business and Careers**

#1 city in North Dakota for **entrepreneurial start-ups**, according to Business Week

#1 in Business Insider **best cities for brand-new college graduates**, citing low unemployment and high percentage of young adults in the population

#2 overall among **mid-sized metros** by Area Development Leading Locations [June 2013]

#2 in Forbes **Best Places for Business and Careers** [April 2012]. The index ranks cities according to cost of doing business, education attainment of the population, income growth, projected job growth and net migration.

#3 **Fastest Growing Cities** by NerdWallet.com

#5 Milken Institute **Best Performing Cities Index** [2013]. The Milken Index ranks metropolitan areas by how well they are creating and sustaining jobs and economic growth. The components include job, wage and salary, and technology growth.

#5 **Top Cities for Economic Growth**, Area Development [June 2012]

#12 in American Institute for Economic Research ranking of the **Top College Towns & Cities** with populations below 250,000 [2012-2013]

# North Dakota - Live, Work, Play

## Fargo Moorhead Employment by Industry

Industry	# Employed in Sept. 2014	Change from Sept. 2013
Total Non-Farm	138,300	3,700
Total Private	120,400	3,400
Goods-Producing	20,900	1,800
Service-Providing	117,400	1,900
Private Service-Providing	99,500	1,600
Natural Resource and Mining & Construction	10,700	1,800
Manufacturing	10,200	0
Trade, Transportation & Utilities	29,400	300
Wholesale Trade	9,300	400
Retail Trade	15,100	-300
Transportation, Warehousing & Utilities	5,000	200
Information	3,300	0
Financial Activities	10,000	200
Professional & Business Services	16,000	200
Education & Health Services	21,800	500
Leisure & Hospitality	13,900	500
Other Services	5,100	-100
Government	17,900	300

Source: Job Service ND, Current Employment Statistics

## Labor Market

Fargo Moorhead's Labor market epitomizes the Midwestern work ethic. Local employers enjoy a stable base of employees with high productivity, low turnover and low absenteeism.

- Total Fargo Moorhead Metropolitan Statistical Area (MSA) population of approximately 215,000
- Total MSA workforce of approximately 125,000
- 95% of existing Fargo Moorhead employers rate their employees' productivity as good or excellent

LOCAL, STATE, & NATIONAL LABOR MARKET	NON-FARM LABOR FORCE	EMPLOYED PERSONS	UNEMPLOYMENT RATE
Fargo Moorhead MSA	123,815	120,977	2.3%
Minnesota	2,989,818	2,881,553	3.6%
North Dakota	415,092	406,159	2.2%
United States	155,903,000	146,941,000	5.7%

Source: Job Service ND, Minn DEED – September 2014

# North Dakota - Live, Work, Play

## North Dakota Top 10 Growth Counties

Estimated population growth from 2010 to 2013, according to the Census Bureau and ND Census Office:

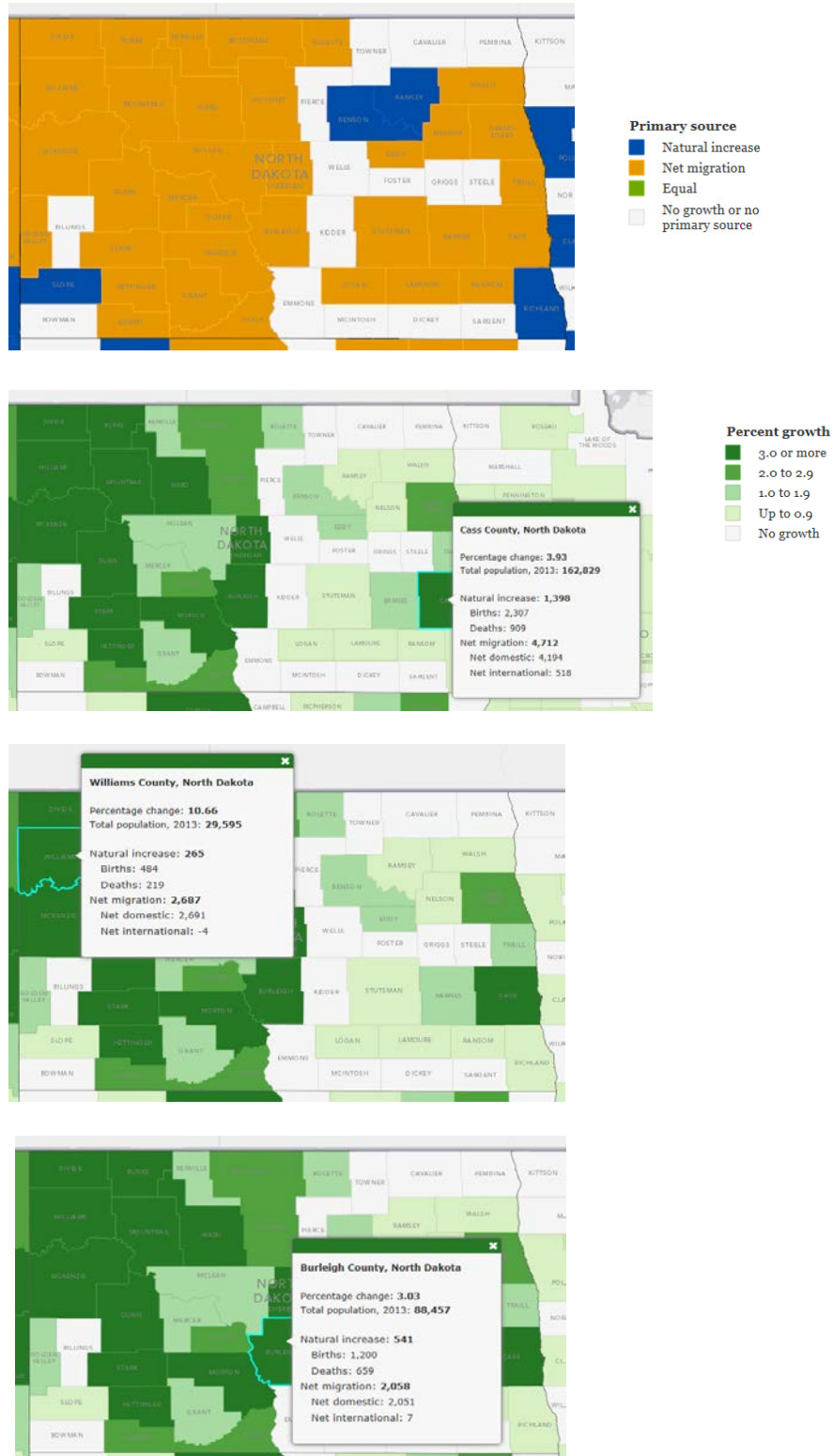
1. **Cass: 13,051**
2. Williams: 7,197
3. Burleigh: 7,149
4. Ward: 6,315
5. Stark: 4,013
6. McKenzie: 2,954
7. Grand Forks: 2,318
8. Mountrail: 1,703
9. Morton: 1,519
10. Rolette: 645

*"Although far from the oil boom in western North Dakota, Cass County's population growth continues to far outpace other counties since the 2010 census, Census Bureau estimates show.*

*To put it in growth perspective, that's comparable to adding a city slightly smaller than Jamestown – with a 2013 population estimated at 15,440 – in four years...Cass County continues to serve as the state's leading people magnet."*

**Source:** The Forum of Fargo-Moorhead (10-7-14)

## County Population Growth between 2012 and 2013 and the Primary Source of Population – US Census Bureau



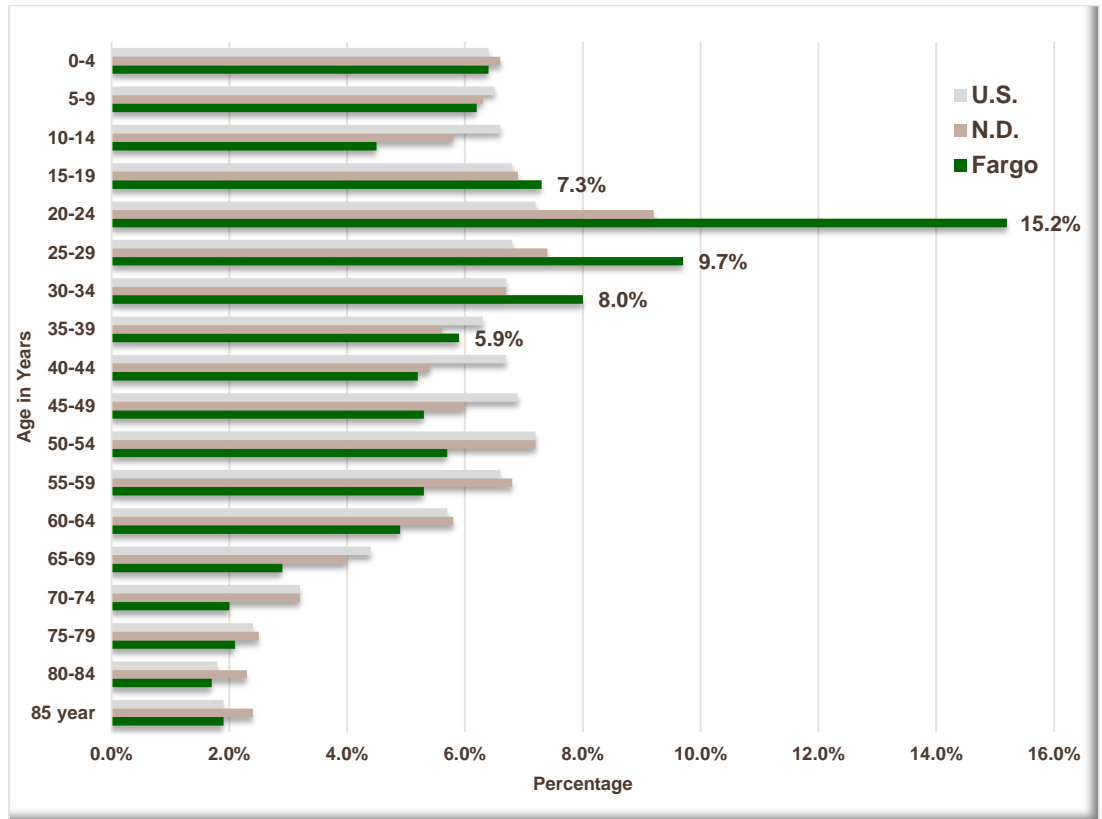
## North Dakota - Live, Work, Play

*"Fargo is the fastest growing metro area in the strongest state in the country."*

--Moody's Analytics

Fargo Moorhead's population is relatively young, well-educated and at the peak of their working careers, making the area a prime location for talent in a variety of industries

### Estimated Total Population by Age



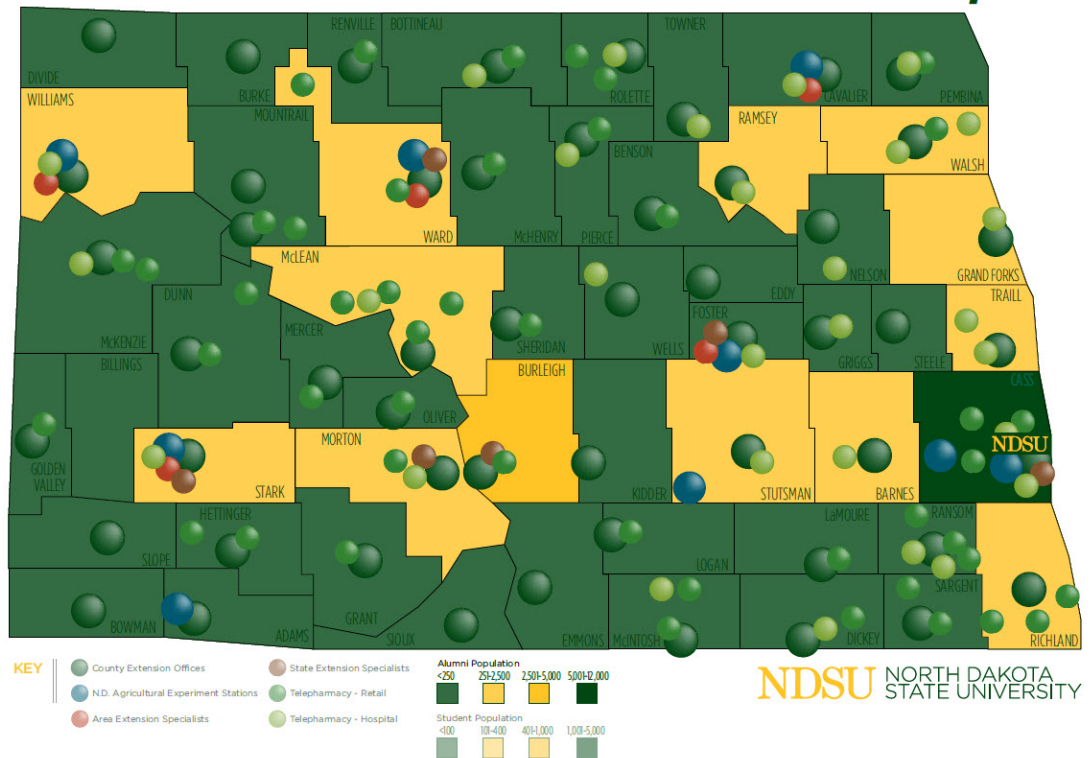
Source: US Census Bureau

***"Once the oil boom has firmly settled into a long-term expansion period by early 2015, Fargo will once again consistently outperform the rest of the state in terms of employment and income growth. Longer term, a favorable business climate, well-educated population, and stable base in education/healthcare will allow Fargo to outperform both the U.S. and N.D."***

-- ND Office of Management & Budget (Moody's Analytics)

## North Dakota

### The Reach of North Dakota State University



### 10 Reasons to Invest and Do Business in North Dakota

1. North Dakota was named the best run state in the nation for the 2<sup>nd</sup> year in a row.  
*24/7 Wall Street, 2013*
2. North Dakota ranks #1 in the nation in state competitiveness.  
*Beacon Hill Competitiveness Index, 2013*
3. North Dakota ranks #1 in a national entrepreneurship index.  
*University of Nebraska, Bureau of Business Research, 2013*
4. *Forbes Magazine's* 2013 Best States for Business and Careers recognizes North Dakota as the #2 state for business.
5. North Dakota has a *Standard & Poor's* top credit ranking of 'AAA'.
6. North Dakota residents and businesses have received over \$2.4 billion in cuts to individual and corporate income and property taxes, from the 2009, 2011 and 2013 legislative sessions.  
*North Dakota Tax Commissioner*
7. North Dakota was named the nation's #1 top overall growth performer since 2000.  
*U.S. Chamber of Commerce, 2014*
8. *Business Facilities* ranks North Dakota #1 for economic growth potential in 2013.
9. *Gallup Job Creation Index* ranks North Dakota #1 for the Best Jobs Market in 2013.
10. North Dakota's GDP growth outpaces all other states for the fourth consecutive year.  
*Bureau of Economic Analysis, 2014*

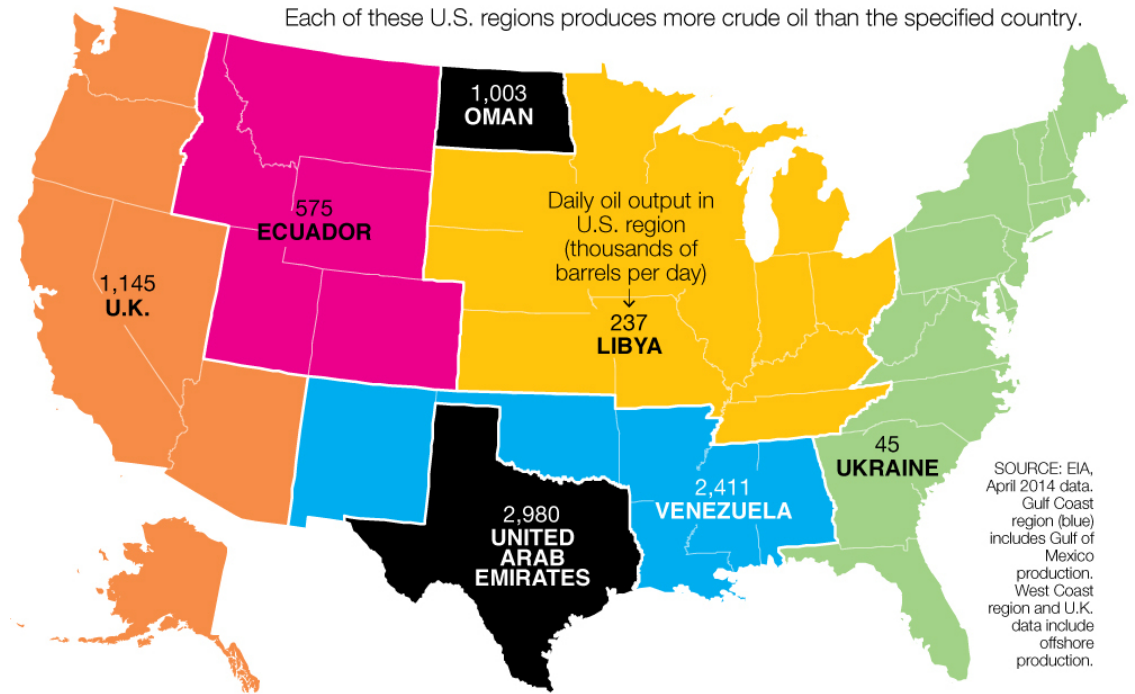
Source: ND Department of Commerce





## North Dakota - Live, Work, Play

Forget OPEC – meet the new league of oil-producing states, the united ones



Source: Fortune.com

### Forget oil, there's a baby boom in North Dakota

*"First comes oil, then come the babies.*

*As North Dakota's oil boom rages on, the droves of job seekers who have flocked to the state over the past few years are finally moving their spouses to the area and settling down.*

*The result? Lots of babies.*

*The 10,591 babies born in North Dakota last year was up 33% from a decade earlier and was the highest number since the state's last oil boom in 1986.*

*In Williams County, home to the oil hub of*

*Williston, births have more than doubled over the past 10 years.*

*"It's been a wild ride and it is going to stay hectic -- we are constantly juggling our resources," says Matthew Grimshaw, president of Williston's Mercy Medical Center, where babies are being delivered around the clock."*

*A record 750 babies were delivered at Mercy Medical last year, and he expects the number to reach 1,000 per year by 2015. Before the oil boom, delivering 300 babies was considered a very busy year."*

Source: Blake Ellis, CNN Money (Oct 21, 2014)



# North Dakota - Live, Work, Play

## North Dakota Office of Management & Budget

*REV-E-NEWS (October 2014)*

North Dakota once again ranks at the top of the State Policy Reports (S/P/R), “Index of State Economic Momentum” after a one-quarter lapse

“...the Plains region has seen slippage in its rankings, with North Dakota the exception to the rule (and also the state that has moved most aggressively away from reliance on agriculture and towards natural resource production).”

Source: State Policy Reports

- Exceeded national average by 2.43%, followed by Texas at 1.51% and Utah at 1.32%
- Seventeen other states ranked at < 1.0% higher than average, with remaining states below average
- Ranked 1<sup>st</sup> in both employment and population growth and close 2<sup>nd</sup> to Idaho in personal income growth between 2<sup>nd</sup> quarter of 2013 and same period in 2014:
  - Personal income across nation grew by 4.05%, Idaho by 6.22%, and ND by 6.18% - only Midwestern state to exceed national average
  - National employment growth rate was 1.68%, ND's rate was 4.41% - more than 2.5 times national average
  - Population rates released in December 2013 show national population increased by 0.72% and most of last decade averaged about 1.0% per year
    - ND's population grew by 3.14% from July 1, 2012 to July 1, 2013



**NDSU**

NORTH DAKOTA STATE UNIVERSITY

**Annual Financial Report**  
**June 30, 2015**

## *Table of Contents*

	<u>Page</u>
<b>Management's Discussion and Analysis</b>	1
<b>Basic Financial Statements</b>	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows	15
Notes to Financial Statements	17
<b>Supplementary Information</b>	
Statement of Financial Position - Major Component Units	52
Statement of Activities - Major Component Units	54

Prepared by the North Dakota State University Accounting Office

# ***North Dakota State University***

## ***Management's Discussion and Analysis***

### ***JUNE 30, 2015***

North Dakota State University's (herein referred to as "NDSU" or the "University") discussion and analysis provides an overview of the University's financial activities for the year ending June 30, 2015. It is designed to focus on current year activities in an effort to assist readers in understanding how those activities impacted the accompanying financial statements.

The financial activity of the 11 public post-secondary campuses under the control of the North Dakota University System (herein referred to as "NDUS"), including NDSU, is combined into a single financial report audited by the North Dakota State Auditor's Office (SAO). NDSU's financial statements are not audited as a separate entity, they are audited as part of the NDUS as a whole.

The financial statements presented are partially extracted from the audited NDUS financial report. **NDSU's Annual Financial Report, alone, is considered not audited; and therefore no audit opinion letter is included in this report.**

NDSU's financial statements include the balances and activities of the following state agencies that have separate legislative state appropriations: Agricultural Experiment Station, Extension Service, Research Centers, Northern Crops Institute, Upper Great Plains Transportation Institute, and the North Dakota Forest Service.

Financial statements for the two major legally separate foundations that are affiliated with NDSU are presented in the Supplementary Information section of this report. The figures in this section were extracted from the foundation's audited reports; however, as with NDSU's basic financial statements and notes, the supplementary information presented in this report must be considered not audited.

## ***Background Information***

North Dakota State University is distinctive as a student-focused, land-grant, elite research university, ranked by the Carnegie Commission on Higher Education among the top 108 public and private universities in the country. NDSU is in the elite category of "Research Universities/Very High Research Activity", with several programs ranked in the Top 100 by the National Science Foundation. NDSU is fully accredited as an institution by the Higher Learning Commission of the North Central Association of Colleges and Secondary Schools.

The main campus is located in Fargo, N.D., with Extension Service and Experiment Station Research Centers located all across the state.

# *Management's Discussion and Analysis*

---

## **Mission**

With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.

## **Vision**

We envision a vibrant university that will be globally identified as a contemporary metropolitan land-grant institution.

## ***Financial Highlights***

NDSU's overall financial standing continues to be sound with total assets of \$579 million and total liabilities of \$200 million, and a net position total of \$379 million (an increase of \$43 million over the previous fiscal year). The University has done well in managing its financial resources and is better off as a result of the current year's activities.

## **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, provide information on the University as a whole and present a long-term view of the University's finances. Refer to Note 1 in the accompanying financial statements for activities included in the University's basic financial statements.

The statements assist in answering the question "Is the University as a whole financially better off or worse off as a result of the year's activities?". The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information in a way that helps answer this question. The Statement of Cash Flows summarizes transactions affecting cash during the fiscal year. It also provides information about the ability of the University to generate future cash flows necessary to meet its obligations and to evaluate its potential for additional financing.

Other non-financial factors, such as the condition of the campuses infrastructure, changes in legislative funding and changes in student enrollments, need to be considered in order to assess the overall health of the System.

## Management's Discussion and Analysis

### Statement of Net Position

The following table shows a condensed Statement of Net Position at June 30, 2015 and 2014:

	2015	2014	Dollar Change	Percent Change
<b>ASSETS</b>				
Current assets	\$ 98,250,364	\$ 103,292,042	\$ (5,041,678)	-5%
Other non-current assets	88,966,440	75,728,321	13,238,119	17%
Capital assets, net	392,410,954	335,384,315	57,026,639	17%
Total assets	<u>\$ 579,627,758</u>	<u>\$ 514,404,678</u>	<u>\$ 65,223,080</u>	<u>13%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 5,366,463</u>	<u>\$ 1,062,278</u>	<u>\$ 4,304,185</u>	<u>405%</u>
<b>LIABILITIES</b>				
Current liabilities	\$ 44,549,960	\$ 39,070,038	\$ 5,479,922	14%
Noncurrent liabilities	156,174,625	130,813,445	25,361,180	19%
Total liabilities	<u>\$ 200,724,585</u>	<u>\$ 169,883,483</u>	<u>\$ 30,841,102</u>	<u>18%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 4,519,131</u>	<u>\$ 230,680</u>	<u>\$ 4,288,451</u>	<u>1859%</u>
<b>NET POSITION</b>				
Invested in capital assets, net	\$ 278,562,461	\$ 215,796,822	\$ 62,765,639	29%
Restricted	19,888,404	24,340,093	(4,451,689)	-18%
Unrestricted	81,299,640	105,215,878	(23,916,238)	-23%
Total net position	<u>\$ 379,750,505</u>	<u>\$ 345,352,793</u>	<u>\$ 34,397,712</u>	<u>10%</u>
Current Ratio (current assets to current liabilities)	<u>2.2</u>	<u>2.6</u>		
Primary Reserve Ratio (expendable net assets to operating expenses)	<u>0.25</u>	<u>0.34</u>		

During fiscal 2015, assets were transferred from current to non-current in order to increase the investment earnings return by investing in longer term certificates of deposit. The increase in non-current assets is partially due to a transfer from current assets, as well as a sale of revenue bonds late in the year. The increase in capital assets is due to capitalization of construction projects during the year. Total assets increased due to the overall improvement in the University's financial performance.

Current liabilities increased primarily because of an increase in retainage payables on construction contracts at the end of fiscal 2015. Noncurrent liabilities decreased during fiscal 2015 primarily due to the recognition of an allocated share of the state's pension liability, as required by a new accounting principle – GASB Statement No. 68.

Invested in capital assets, net, increased due to the capitalization of construction projects. The restricted net position decrease is primarily due to a drawing down of a prior construction project cost savings on revenue bond financed project where the savings is restricted for future debt service obligations. Unrestricted net position decrease is due to the recognition of an allocated share of a share of the state's pension liability, as required by GASB Statement No. 68.

## Management's Discussion and Analysis

### Statement of Revenues, Expenses, and Changes in Net Position

The following table shows a condensed version of Statement of Revenues, Expenses and Changes in Net Position, with operating and non-operating revenues and expenses combined, as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Student tuition and fees	\$ 110,778,521	\$ 106,491,251	\$ 4,287,270	4%
Grants, contracts, (operating and nonoperating)	100,840,635	88,086,475	12,754,160	14%
State appropriations (operating and nonoperating)	142,196,823	129,570,005	12,626,818	10%
Sales and services of educational departments	35,517,866	35,920,553	(402,687)	-1%
Auxiliary enterprises	43,286,230	42,560,463	725,767	2%
Gifts	9,204,609	7,489,167	1,715,442	23%
Other, (operating and nonoperating)	3,496,432	3,745,598	(249,166)	-7%
<b>Total revenues</b>	<b>\$ 445,321,116</b>	<b>\$ 413,863,512</b>	<b>\$ 31,457,604</b>	<b>8%</b>
<b>Expenses</b>				
Salaries and wages	\$ 268,589,588	\$ 254,955,104	\$ 13,634,484	5%
Operating expenses	107,299,624	101,423,382	5,876,242	6%
Depreciation expense	21,761,642	20,714,843	1,046,799	5%
Scholarships and fellowships	2,498,685	3,115,800	(617,115)	-20%
Other, (operating and nonoperating)	1,615,149	6,794,261	(5,179,112)	-76%
<b>Total expenses</b>	<b>\$ 401,764,688</b>	<b>\$ 387,003,390</b>	<b>\$ 14,761,298</b>	<b>4%</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 43,556,428</b>	<b>\$ 26,860,122</b>	<b>\$ 16,696,306</b>	<b>62%</b>
<b>Net Position, Beginning of Year, as restated</b>	<b>\$ 336,194,077</b>	<b>\$ 318,492,671</b>	<b>\$ 17,701,406</b>	<b>6%</b>
<b>Net Position, End of Year</b>	<b>\$ 379,750,505</b>	<b>\$ 345,352,793</b>	<b>\$ 34,397,712</b>	<b>10%</b>

Overall revenues increased 2% and expenses increased 8% from 2014 to 2015.

On the revenues side: Student tuition and fees increased 4% primarily due to a small increase in student tuition and fees, as well as a slight enrollment increase. Overall state appropriations decreased 10% due to improved legislative support. Grant and contract, along with gift revenue increases are primarily due to improved external support from state and private funding for research projects.

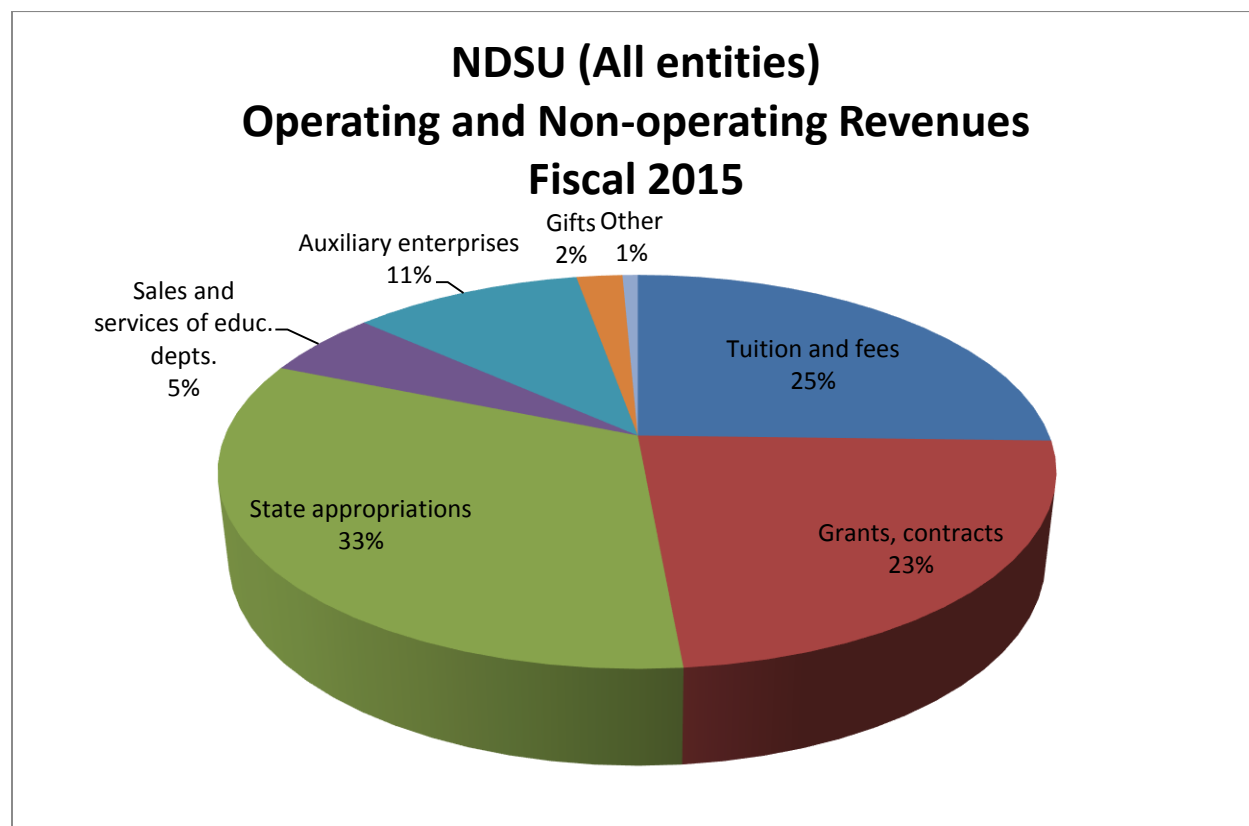
On the expenses side: increase in operating expenses is primarily due to an average 3% salary increase, plus fringe benefits, during fiscal 2015.

Reduction scholarship expense: Although the dollar change is not significant, the percentage change is 20%. This change is primarily due to reduction of Title IV grant revenue, as well as numerous other minor changes in scholarship programs.

## Management's Discussion and Analysis

### Graphs

The following graph depicts sources of operating and non-operating revenues for fiscal year 2015:



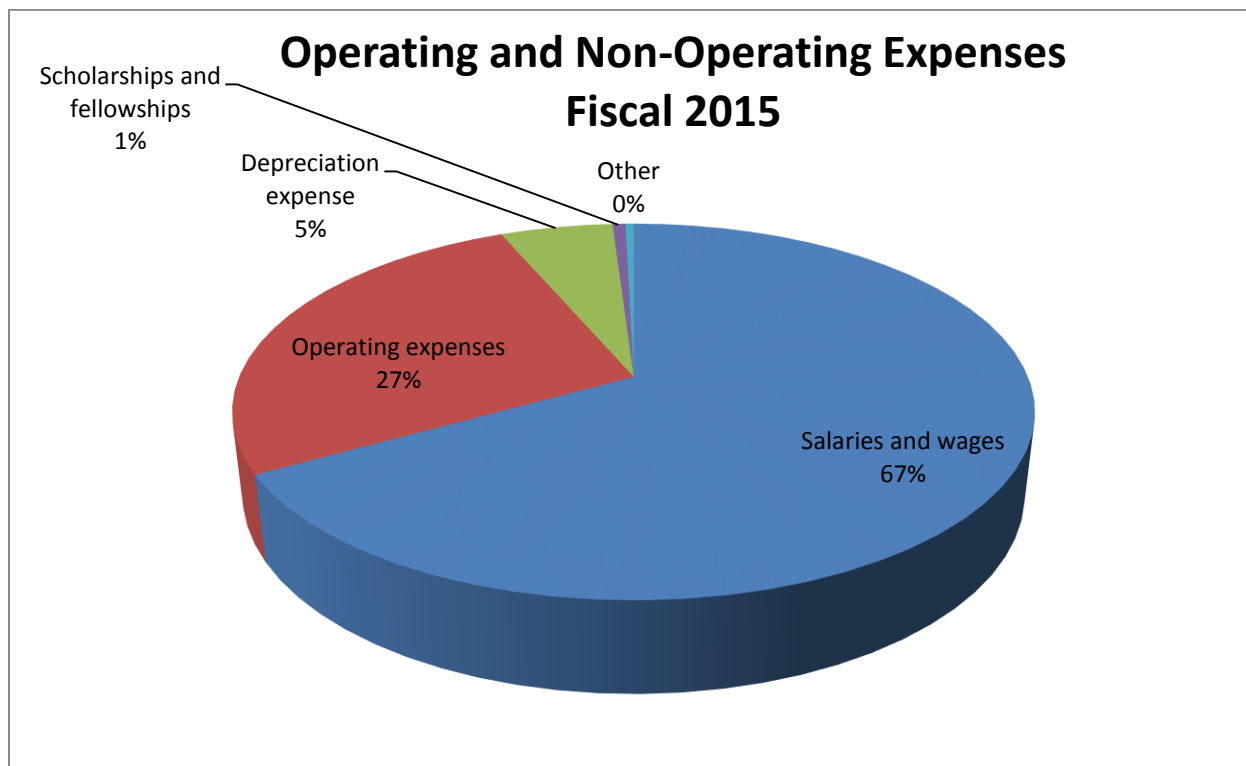
The activities of all NDSU entities are combined in this graph, including the Agriculture Experiment Station, and other similar separately appropriated agencies.



## Management's Discussion and Analysis

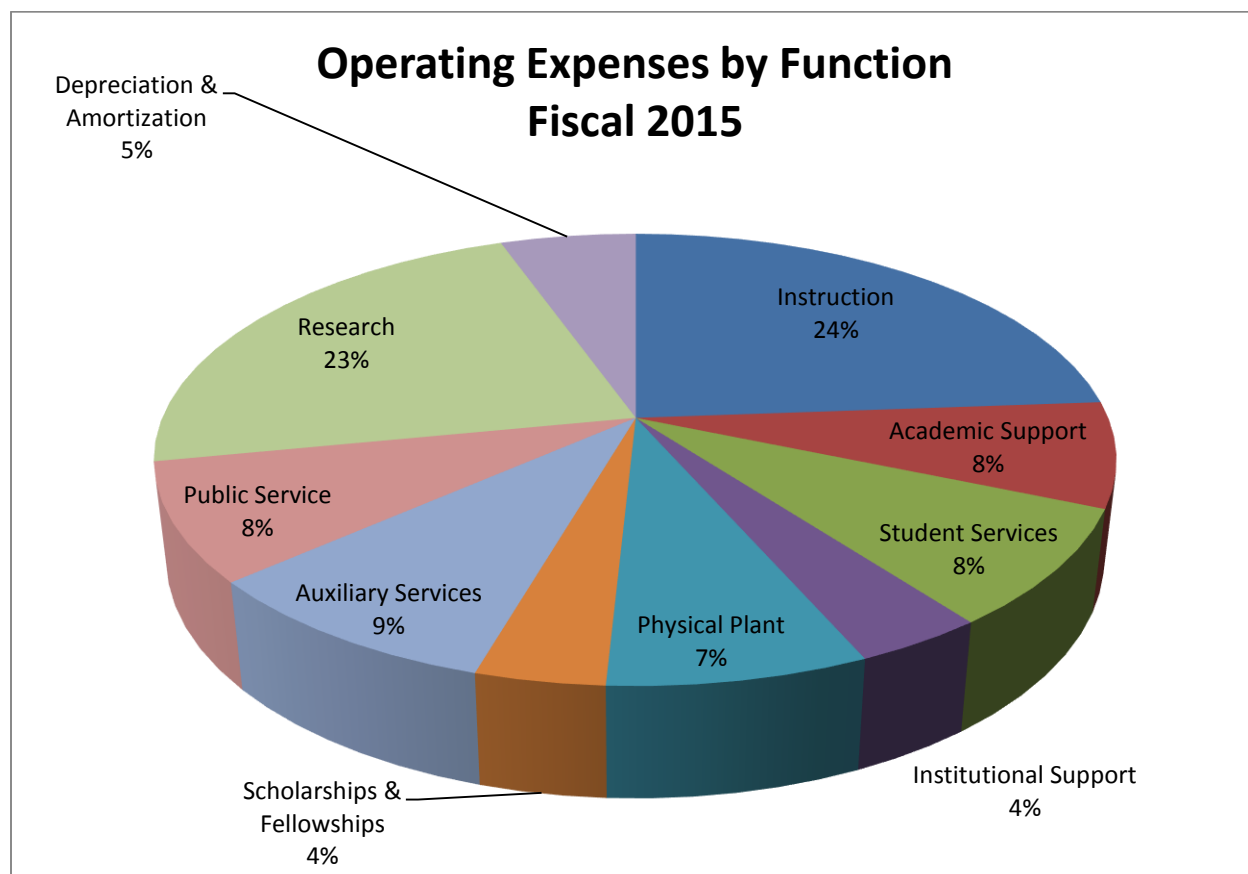
---

The following graph depicts objects of operating and non-operating expenses for fiscal year 2015:



The activities of all NDSU entities are combined in this graph, including the Agriculture Experiment Station, and other similar separately appropriated agencies.

The following graph depicts operating expenses only, by institutional function for fiscal year 2015:



The activities of all NDSU entities are combined in this graph, including the Agriculture Experiment Station, and other similar separately appropriated agencies.

### **Long-term Debt**

Between fiscal years 2010 through fiscal 2015, numerous long-term debt obligations (bonds and leases) were either refinanced or retired early on the scheduled call date. This debt restructuring contributed to continuing University improved financial performance over this period of time and will benefit future periods through lower interest expense. A summary is as follows:

<b>Facilities</b>	<b>Date</b>	<b>NPV Savings</b>	<b>% of NPV Savings of Refunded Bonds</b>
<b><u>Bond Refunding</u></b>			
Living Learning Center	3/1/2012	\$ 1,777,922	28.7%
Barry & Klai Hall	5/23/2012	\$ 1,666,713	13.5%
Bison Court	2/27/2014	\$ 1,147,093	13.5%
Memorial Union	2/11/2015	\$ 3,438,084	21.3%
Wellness Center	2/11/2015	\$ 1,488,260	17.6%
Wellness Center	2/11/2015	\$ 371,635	16.1%
<b><u>Early Retirement</u></b>			
Minard Hall	4/1/2012	\$ 1,345,125	
Equine Science Center	11/4/2013	\$ 742,763	
Aircraft	10/7/2013	\$ 119,413	
<b><u>Interfund Borrowing</u></b>			
Barry Hall Finishing Cost	8/1/2010	\$ 222,393	

### Financial Ratios

	2015	2014	2013
Current Ratio (current assets to current liabilities)	2.20	2.60	2.00
Primary Ratio (expendable net position to operating expense)	0.25	0.34	0.31
Net Income Margin (increase in net position to total revenue)	9.70%	6.50%	8.50%
Viability Ratio (expendable net position to long-term debt)	0.80	1.00	1.10
Higher Learning Commission's Composite Financial Index	3.36	4.25	3.90

#### Current Ratio

The current ratio measures whether or not the University has enough readily available resources to pay its short-term bills and liabilities. A ratio of 2 or greater is considered healthy. By comparison, the ND University System's current ratio was 2.7, 2.9, and 2.5 for fiscal years 2015, 2014, and 2013, respectively.

#### Primary Reserve Ratio

The primary reserve ratio measures the ability of the University to continue operating at current levels, within current restrictions, without future revenues. A ratio of 1.0 denotes that an institution would have the ability to cover its expenses for one year with any revenues. The University's primary reserve ratio at June 30, 2015, is 0.25, which indicates that in an emergency situation, the University could continue its current operations for approximately 13 weeks. By comparison, the ND University System's primary reserve ratio was 0.3 for fiscal years 2015, 2014 and 2013, respectively.

#### Net Income Margin

The net income margin indicates whether total activities resulted in income or a deficit. A positive margin indicates that the institution experienced income for one year. NDSU's fiscal 2015 margin is 9.7%. A positive margin is considered good. By comparison, the ND University System's net income margin is 6.5%, 6.5%, and 6.9% for fiscal years 2015, 2014 and 2013, respectively.

#### Viability Ratio

The viability ratio is a measure of financial health; the availability of expendable net assets to cover debt should the University need to settle its obligations as of the fiscal year end. Expendable net assets are the balances in the total net assets, excluding

## *Management's Discussion and Analysis*

---

investment in capital assets and non-expendable scholarships and fellowships. NDSU's viability ratio went from 0.95 to 0.80 from fiscal 2014 to 2015. This decrease is due to adding a \$22 million liability for the allocated share of the state's pension liability, as required by a new accounting principle – GASB Statement No. 68. By comparison, the ND University System's viability ratio is 0.9, 1.1 and 1.1 and 0.8 for fiscal years 2015, 2014 and 2013, respectively.

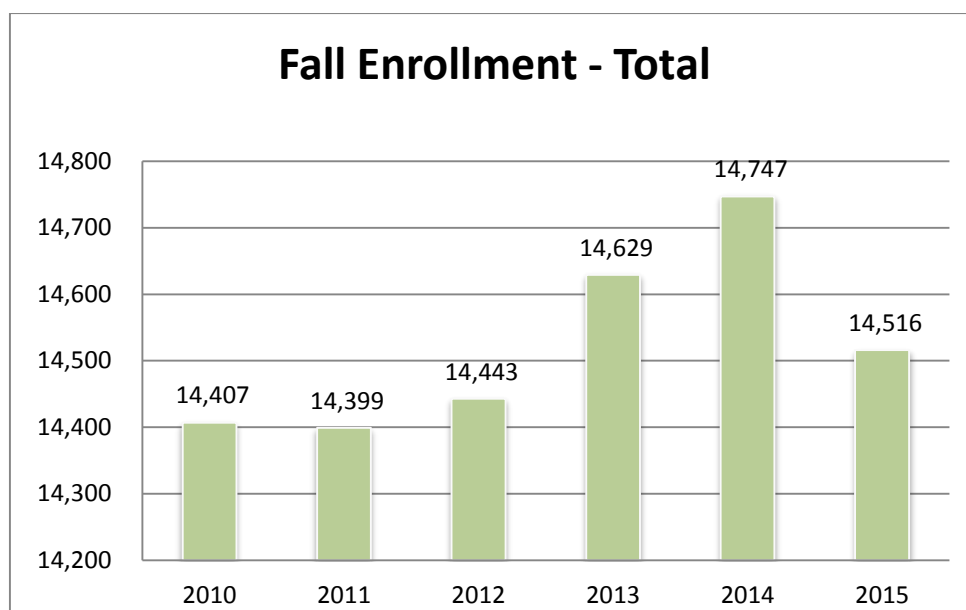
### **Higher Learning Commission's Composite Financial Index**

The Higher Learning Commission (HLC) reviews accredited and candidate institutions' financial information to determine whether an institution operates with integrity in its financial functions. The HLC's uses its Composite Financial Index (CFI) to gauge the overall financial condition of a university. The CFI a weighted index of various financial ratios. A CFI less than 1.0 for two consecutive years is a flag to the HLC that an institution will need a special review to gain or retain its accreditation. NDSU's CFI is well above the 1.0 benchmark at 3.36 for fiscal 2015, which is well over the level set by the HLC requiring a review. This 3.36 includes the effect of GASB 68 which added a \$22 million pension liability.

### Other Highlights

#### Student Enrollment

NDSU's annual unduplicated degree credit headcount for fall 2015 was 14,516 students, which represents 30% of the student enrollment for the entire ND University system. NDSU's degree credit headcount for the last five fall terms is as follows:



#### Financial Contact

The University's financial statements are designed to present users with a general overview of the University's finances and to demonstrate accountability. The NDSU Accounting Office is responsible for the contents of this report. If you have questions about the report or need additional financial information, contact the NDSU Accounting Office, Gary Wawers, Controller, at [gary.wawers@ndsu.edu](mailto:gary.wawers@ndsu.edu) or Ramona Adams, Associate Controller, at [ramona.adams@ndsu.edu](mailto:ramona.adams@ndsu.edu).

**North Dakota State University**  
**Statement of Net Position**  
**For Years Ended June 30, 2015 & 2014**

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 40,740,377	\$ 49,520,102
Short-term investments	12,025,018	15,982,352
Accounts receivable, net	10,143,132	6,482,855
Due from other NDUS institutions	712,566	2,393,126
Due from component units	1,574,280	784,179
Due from State General Fund	13,798,972	8,832,731
Grants & contracts receivable, net	15,250,700	15,617,075
Inventories	1,632,290	1,717,420
Notes receivable, net	1,422,915	1,449,465
Other assets	950,114	512,737
<b>Total Current Assets</b>	<b>\$ 98,250,364</b>	<b>\$ 103,292,042</b>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	\$ 1,628,088	\$ 4,339,295
Restricted investments	10,937,743	3,131,125
Endowment investments	412,183	412,278
Notes receivable, net	5,091,966	5,126,102
Other long-term investments	69,824,441	61,242,687
Unamortized bond discount and cost of issuance	67,965	97,715
Due From Component Units	331,235	613,951
Other noncurrent assets	672,819	765,168
Capital assets, net	392,410,954	335,384,315
<b>Total Noncurrent Assets</b>	<b>\$ 481,377,394</b>	<b>\$ 411,112,636</b>
<b>Total Assets</b>	<b>\$ 579,627,758</b>	<b>\$ 514,404,678</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	<b>\$ 5,366,463</b>	<b>\$ 1,062,278</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 17,266,083	\$ 12,630,546
Payable to component units	314,979	1,282,726
Accrued payroll	12,075,156	10,776,416
Unearned revenue	6,517,711	6,886,911
Deposits	1,530,520	1,653,621
Long-term liabilities—current portion:		
Payable to component units	1,991,156	1,940,753
Payable to others	4,854,355	3,899,065
<b>Total Current Liabilities</b>	<b>\$ 44,549,960</b>	<b>\$ 39,070,038</b>
<b>Noncurrent Liabilities</b>		
Pension Liability	\$ 22,717,420	
Payable to others	3,144,939	\$ 582,560
Long-term liabilities:		
Payable to component units	33,861,586	35,881,165
Payable to others	96,450,680	94,349,720
<b>Total Noncurrent Liabilities</b>	<b>\$ 156,174,625</b>	<b>\$ 130,813,445</b>
<b>Total Liabilities</b>	<b>\$ 200,724,585</b>	<b>\$ 169,883,483</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<b>\$ 4,519,131</b>	<b>\$ 230,680</b>

**Statement of Net Position - Continued on Next Page**

## Statement of Net Position - Continued

	<u>2015</u>	<u>2014</u>
<b>NET POSITION</b>		
Invested in Capital Assets, net of related debt	\$ 278,562,461	\$ 215,796,822
Restricted for:		
Nonexpendable:		
Scholarships and fellow ships	414,255	414,351
Expendable:		
Scholarships and fellow ships	165,649	153,819
Research	7,297,016	6,371,440
Instructional department uses	1,377,744	1,616,989
Loans	7,128,192	7,029,996
Capital projects	44,930	295,252
Debt service	3,460,618	8,458,246
Unrestricted	81,299,640	105,215,878
<b>Total Net Position</b>	<u><u>\$ 379,750,505</u></u>	<u><u>\$ 345,352,793</u></u>



**North Dakota State University**  
**Statement of Revenues, Expenses, & Other Changes in Net Position**  
**For Years Ended June 30, 2015 & 2014**

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>REVENUES</b>		
<b>Operating Revenues:</b>		
Student tuition and fees	\$ 110,778,521	\$ 106,491,251
Federal Grants and Contracts	41,554,635	44,726,127
State Grants and Contracts	8,363,527	8,328,337
Private Grants & Contracts	11,623,657	11,880,324
Sales and services of educational departments	35,517,866	35,920,553
Auxiliary enterprises	43,286,230	42,560,463
Other Operating Revenue	1,091,936	861,352
<b>Total operating revenues</b>	<b><u>\$ 252,216,372</u></b>	<b><u>\$ 250,768,407</u></b>
<b>EXPENSES</b>		
<b>Operating expenses:</b>		
Salaries and wages	\$ 268,589,588	\$ 254,955,104
Operating expenses	92,916,914	87,101,118
Data Processing	4,724,564	4,695,984
Depreciation Expense	21,761,642	20,714,843
Scholarships and fellow ships	2,498,685	3,115,800
Cost of Sales and services	9,658,146	9,626,280
<b>Total operating expenses</b>	<b><u>\$ 400,149,539</u></b>	<b><u>\$ 380,209,129</u></b>
<b>Operating income (loss)</b>	<b><u>\$ (147,933,167)</u></b>	<b><u>\$ (129,440,722)</u></b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	\$ 119,487,388	\$ 122,486,870
Federal Appropriations	6,701,819	5,790,560
Federal grants and contracts	10,623,730	10,748,270
Gifts	9,204,609	7,489,167
Investment income	2,267,067	2,554,108
Interest on capital asset - related debt	(5,048,939)	(5,521,863)
Gain/(Loss) on capital assets	971,177	(954,381)
Insurance Proceeds	33,769	190,479
Tax Revenues	103,660	114,913
Other nonoperating revenues over (under) expenses	2,747,987	(32,530)
<b>Net nonoperating revenues</b>	<b><u>\$ 147,092,267</u></b>	<b><u>\$ 142,865,593</u></b>
<b>Income (loss) before capital grants, gifts and transfers</b>	<b><u>\$ (840,900)</u></b>	<b><u>\$ 13,424,871</u></b>
State appropriations - capital assets	\$ 22,709,435	\$ 7,083,135
Inter-institutional transfers		24,746
Transfer from Building Authority	(285,374)	(285,487)
Capital grants and gifts	21,973,267	6,612,857
<b>Total other revenues (expenses)</b>	<b><u>\$ 44,397,328</u></b>	<b><u>\$ 13,435,251</u></b>
<b>Increase (decrease) in net position</b>	<b><u>\$ 43,556,428</u></b>	<b><u>\$ 26,860,122</u></b>
<b>NET POSITION</b>		
Net Position - beginning of year, as restated	<b><u>\$ 336,194,077</u></b>	<b><u>\$ 318,492,671</u></b>
Net Position - end of year	<b><u>\$ 379,750,505</u></b>	<b><u>\$ 345,352,793</u></b>

**North Dakota State University**  
**Statement of Cash Flows**  
For Years Ended June 30, 2015 & 2014

	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student tuition and fees	\$ 111,926,354	\$ 104,161,601
Grants and Contracts	62,072,430	68,910,754
Payments to suppliers	(107,551,019)	(104,161,511)
Payments to employees	(267,622,327)	(255,261,150)
Payments for scholarships and fellow ships	(2,498,685)	(3,115,800)
Loans issued to students	(1,431,864)	(1,199,468)
Collection of loans to students	1,450,580	1,220,400
Auxiliary enterprise charges	43,314,138	42,351,732
Sales and services of educational departments	35,539,366	36,251,078
Cash received (paid) on deposits	(76,330)	177,693
Other receipts (payments)	993,891	39,283
<b>Net cash provided (used) by operating activities</b>	<u><b>\$ (123,883,466)</b></u>	<u><b>\$ (110,625,388)</b></u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	\$ 118,942,171	\$ 122,444,163
Federal appropriations	6,701,819	5,790,560
Grants and gifts received for other than capital purposes	19,744,423	18,159,048
Direct Lending Receipts	51,770,123	53,187,283
Direct Lending Disbursements	(51,915,369)	(52,888,895)
Agency fund cash increase (decrease)	(228,349)	13,162
Tax revenues	103,660	114,913
<b>Net cash provided/(used) by financing activities</b>	<u><b>\$ 145,118,478</b></u>	<u><b>\$ 146,820,234</b></u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt	\$ 33,102,299	\$ 8,448,914
Transfers (to)/from Building Authority	(285,374)	(285,487)
Capital appropriations	18,288,411	7,441,879
Capital grants and gifts received	20,860,272	6,739,501
Proceeds from sale of capital assets	1,350,000	1,385,783
Purchases of capital assets	(59,558,050)	(26,513,903)
Insurance proceeds	33,769	190,479
Principal paid on capital debt and lease	(4,990,336)	(8,691,734)
Deposits with capital debt and lease	(26,090,000)	(8,255,000)
Interest paid on capital debt and lease	(5,283,066)	(5,426,340)
<b>Net cash provided/(used) by capital and related financing activities</b>	<u><b>\$ (22,572,075)</b></u>	<u><b>\$ (24,965,908)</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	\$ 19,108,777	\$ 13,181,421
Interest on Investments	2,258,726	2,304,805
Purchases of investments	(31,521,372)	(11,167,492)
<b>Net cash provided/(used) by investing activities</b>	<u><b>\$ (10,153,869)</b></u>	<u><b>\$ 4,318,734</b></u>
<b>Net increase (decrease) in cash</b>	<u><b>\$ (11,490,932)</b></u>	<u><b>\$ 15,547,672</b></u>
<b>Cash - Beginning of year</b>	<u><b>\$ 53,859,397</b></u>	<u><b>\$ 38,311,725</b></u>
<b>Cash - End of year</b>	<u><b>\$ 42,368,465</b></u>	<u><b>\$ 53,859,397</b></u>

**Statement of Cash Flows - Continued on Next Page**

## Statement of Cash Flows - Continued

### RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	<u>2015</u>	<u>2014</u>
<b>Operating Income (loss)</b>	<b>\$ (147,933,167)</b>	<b>\$ (110,772,079)</b>
Adjustments:		
Depreciation	21,761,642	18,901,210
Other nonoperating revenues (expenses)	(35,732)	(54,170)
Change in assets and liabilities:		
Accounts receivable adjusted for interest receivable	1,399,288	1,338,315
Intergovernmental receivables	530,610	5,946,097
Inventories	85,130	(93,627)
Notes receivable	60,686	(50,128)
Other assets	(55,194)	(184,712)
Accounts payable and accrued liabilities adjusted for interest payable	(398,430)	(1,091,384)
Accrued payroll	1,290,278	330,603
Compensated absences	(143,047)	(1,354,243)
Deferred revenue	(369,200)	954,360
Deposits	(76,330)	47,521
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ (123,883,466)</u></b>	<b><u>\$ (86,082,237)</u></b>

### SUPPLEMENTAL DISCLOSURE ON NON CASH TRANSACTIONS

Assets acquired through capital lease	\$ 1,653,338	\$ 340,516
Expenses paid by capital lease	107,114	-
Gifts of capital assets	278,531	39,000
Net Increase (Decrease) in value of investments	12,355	13,000
<b>Total non cash transactions</b>	<b><u>\$ 2,051,338</u></b>	<b><u>\$ 392,516</u></b>

### Contact Information



11 Old Main  
NDSU Dept. 3000, PO Box 6050  
Fargo, ND 58108-6050  
Tel 701.231.8411  
Fax 701.231.6194  
[www.ndsu.edu/vpfa](http://www.ndsu.edu/vpfa)

#### VP FOR FINANCE & ADMINISTRATION

##### Bruce A. Bollinger

Vice President

P: 701.231.8411

F: 701.231.6194

[bruce.bollinger@ndsu.edu](mailto:bruce.bollinger@ndsu.edu)

##### Gina Haugen

Assistant to the Vice President

P: 701.231.6177

F: 701.231.6194

[gina.a.haugen@ndsu.edu](mailto:gina.a.haugen@ndsu.edu)

#### FINANCIAL SERVICES

##### Gary Wawers

Controller

P: 701.231.8210

F: 701.231.6194

[gary.wawers@ndsu.edu](mailto:gary.wawers@ndsu.edu)

#### BUDGET OFFICE

##### Cynthia Rott

Budget Director

P: 701.231.7458

F: 701.231.6194

[cynthia.rott@ndsu.edu](mailto:cynthia.rott@ndsu.edu)



North Dakota State University does not discriminate on the basis of age, color, disability, gender expression/identity, genetic information, marital status, national origin, public assistance status, race, religion, sex, sexual orientation or status as a U.S. veteran. Direct inquiries to the Vice President for Equity, Diversity and Global Outreach, Putnam 102, (701) 231-7708