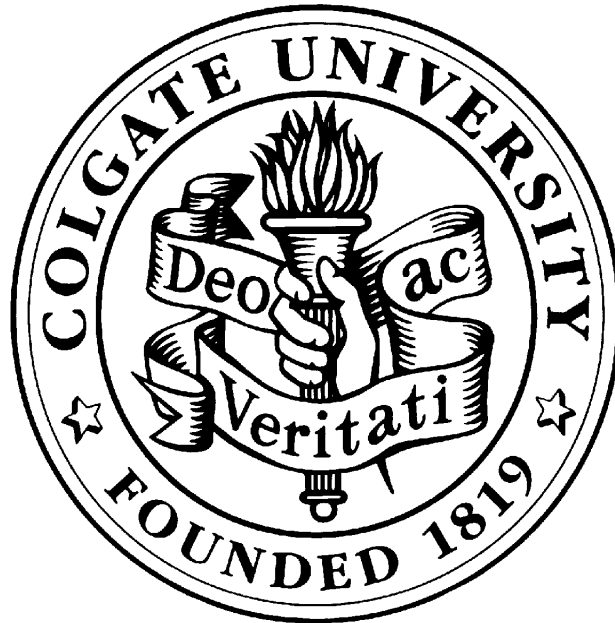


2016/17
OPERATING BUDGET



April 2016

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Highlights of 2016/17 Budget Proposal

- An operating budget of \$185.9 million in expenditures is being proposed for 2016/17, or 3.4% more than the budget for the current year.
- Net tuition revenue, Colgate's principal stream of revenue, is projected to increase 1.3% from the prior year budget. The tempered growth in this area is due to our continued commitment to financial aid. Our target enrollment for the incoming first-year class increased by 10 slots to 770. Overall enrollment (annual FTEs) for 2016/17 is budgeted at 2,840.
 - Total student charges for 2016/17 are \$65,030. This represents a 3.98% increase over 2015/16 charges. The 3.98% overall increase for 2016/17 contains an increase of 4.0% for tuition, an increase of 4.0% for room and board and no increase to the student activity fee.
 - The financial aid budget will grow by \$5.1 million or 9.5% over the current year budget. The Class of 2020 is targeted to consist of 453 full-pay students and 317 aided students, which translates into 41.2% of the class receiving financial aid. This composition of the incoming class is a change from previous years and a swing of 27 full pay students and 17 less aided students. The growth in financial aid can also be attributed to the classes of 2018 and 2019 that finished the year over budget.
- The Colgate Fund has been budgeted at \$6.6 million in 2016/17, an increase of \$300K over the current year budget.
- On December 4th the Finance Committee approved the endowment spending rate for 2016/17. Currently, endowment spending is anticipated to increase \$2.7 million or 5.4% over the FY 2015/16 revised spending rate. The variance shown on page 2 is the percentage change from the approved spending rate for 2015/16.
- Salary pools for continuing faculty and staff are budgeted to increase by 2.1% in 2016/17 which is consistent with our PCDI guideline. In faculty salaries, two incremental positions (roughly \$160K) previously approved are included along with other adjustments. In staff salaries we have new positions that were added subsequent to the 15/16 budget approval, increases beyond the salary pool, market adjustments and increases associated with the proposed FLSA legislation. The 2016/17 budget includes one position in Athletics fully funded by a grant from the NCAA that is budget neutral.
- Fringe benefits are budgeted to increase by 5.0%. We have been able to keep healthcare increases low with minimum plan disruption or significant changes to copays or coverage. Increases beyond the salary pool mentioned above also contribute to the overall fringe benefit growth.
- Net debt service is increasing by \$662K or 7.5% for 2016-17. This increase is in accordance with our long-term debt strategy and includes the recently issued \$55 million Series 2015-B tax exempt bonds. The increase to the operating budget is being partially offset by an additional draw from Fund B of approximately \$4.5 million for 16/17.
- Capital project and equipment reserve allocations are budgeted at \$7.6 million in 2016/17.
- A modest university contingency of \$250K has been budgeted in 2016/17.

Summary of Operating Income

| | 2014-15 Actual | Approved 2015-16 | Proposed 2016-17 | Variance | Percent Change |
|------------------------------|-----------------------|-----------------------|-----------------------|------------------|-------------------|
| <u>Income:</u> | | | | | |
| Tuition and Fees | \$ 141,750,082 | \$ 147,176,095 | \$ 153,475,728 | \$ 6,299,634 | 4.3% |
| Less: Financial Aid | 50,094,202 | 53,219,608 | 58,290,406 | 5,070,798 | 9.5% |
| Net Tuition Revenue | 91,655,880 | 93,956,486 | 95,185,322 | 1,228,835 | 1.3% |
| <i>Tuition Discount Rate</i> | 35.3% | 36.2% | 38.0% | | |
| Auxiliary Income | 28,037,963 | 29,248,391 | 30,796,395 | 1,548,004 | 5.3% |
| LLC Income | 1,101,490 | 1,294,855 | 1,218,622 | (76,233) | -5.9% |
| Government Sources | 846,406 | 947,065 | 928,346 | (18,719) | -2.0% |
| Private Gifts & Grants | | | | | |
| Unrestricted | 5,987,759 | 6,300,010 | 6,600,011 | 300,001 | 4.8% |
| Restricted - Other | 5,031,761 | 3,266,423 | 3,416,050 | 149,627 | 4.6% |
| Endowment Income | 39,434,427 | 43,598,265 | 46,298,178 | 2,699,913 | 6.2% |
| Endowment I to P | | (1,324,208) | (1,325,848) | (1,640) | 0.1% |
| Athletic Income | 2,094,486 | 1,613,967 | 1,815,117 | 201,150 | 12.5% |
| Other Income Sources | 1,126,141 | 945,050 | 939,349 | (5,701) | -0.6% |
| Total Income | \$ 175,316,313 | \$ 179,846,305 | \$ 185,871,543 | 6,025,237 | 3.4% |

Summary of Operating Expense

| | 2014-15 Actual | Approved 2015-16 | Proposed 2016-17 | Variance | Percent Change |
|-----------------------------------|-----------------------|-----------------------|-----------------------|------------------|-------------------|
| <u>Expenses:</u> | | | | | |
| Faculty Salaries | \$ 32,413,579 | \$ 32,698,085 | \$ 33,764,907 | 1,066,822 | 3.3% |
| Staff Salaries | 43,042,956 | 43,966,814 | 45,678,458 | 1,711,644 | 3.9% |
| Fringe Benefits | 22,922,842 | 25,200,233 | 26,448,742 | 1,248,508 | 5.0% |
| Buildings & Grounds Chargebacks | (2,318,966) | (2,300,000) | (2,300,000) | - | 0.0% |
| <u>Student Wages</u> | 1,367,781 | 1,531,768 | 1,577,294 | 45,526 | 3.0% |
| Subtotal Compensation | 97,428,192 | 101,096,900 | 105,169,400 | 4,072,500 | 4.0% |
| Contracted Services | 9,889,537 | 9,798,013 | 10,285,531 | 487,519 | 5.0% |
| Utilities | 5,261,598 | 5,013,262 | 5,075,850 | 62,588 | 1.2% |
| Equipment | 2,833,594 | 2,678,064 | 2,865,129 | 187,065 | 7.0% |
| Library Acquisitions | 2,505,565 | 2,637,450 | 2,716,566 | 79,116 | 3.0% |
| Repairs & Maintenance | 4,190,447 | 3,862,065 | 3,842,030 | (20,035) | -0.5% |
| Travel & Entertainment | 8,615,692 | 8,424,687 | 8,293,686 | (131,002) | -1.6% |
| Printing, Postage & Publications | 2,241,606 | 2,501,775 | 2,358,944 | (142,830) | -5.7% |
| Taxes, Contributions & Insurance | 3,197,498 | 3,278,116 | 3,337,261 | 59,145 | 1.8% |
| General Program Expense | 18,421,772 | 19,883,576 | 21,316,988 | 1,433,412 | 7.2% |
| Cost of Goods Sold | 2,233,752 | 2,272,298 | 1,971,116 | (301,183) | -13.3% |
| LLC Expense (including transfers) | 1,436,899 | 1,308,655 | 1,285,838 | (22,817) | -1.7% |
| Debt Service | 8,275,024 | 8,836,238 | 9,497,997 | 661,759 | 7.5% |
| Plant/Other Transfers (Net) | 8,741,579 | 7,755,207 | 7,605,207 | (150,000) | -1.9% |
| Contingency | - | 500,000 | 250,000 | (250,000) | |
| Total Expenses | \$ 175,272,755 | \$ 179,846,306 | \$ 185,871,543 | 6,025,237 | 3.4% |
| Surplus (Deficit) | \$ 43,558 | \$ 0 | \$ 0 | | |

Five Year Forecast

The five-year forecast is based on the 2016/17 proposed operating budget. The key assumptions used in the forecast include:

- First-year enrollment target of 770 students and total undergraduate enrollment of 2,840.
- Total student charges increasing at 4.0% in FY 16/17 and then 3.5% each year thereafter.
- The Colgate Fund increases at 2.5% throughout the forecast.
- Endowment support is assumed to increase at 3.0% throughout the forecast.
- Faculty and staff salaries increasing at 2.1% throughout the forecast.
- Fringe benefits increasing by 6% each year.
- Net debt service increases by 7.5% annually in FY 17/18 thru FY 19/20 and then by 4.0% in FY 20/21.
- Non-compensation growth rates of 2.0% have been assumed in each year of the forecast.

It is not uncommon for the five year forecast to produce deficits in any given year, our primary concern being fiscal 2017/18. Future operating budget decisions and any new initiatives that are brought forward will need to be considered carefully and with strategic value in mind.

The endowment spending portion of the five-year forecast is prepared in accordance with the spending guideline projections periodically shared with the Endowment Management & Finance Committee. The negative income to principal (“I to P”) number reflects a portion of restricted endowment whose restrictions may preclude spending in any given year, and therefore we do not assume this spending in the operating budget. Endowment support is assumed to increase at 3% throughout the forecast. It is important to note that market performance and investment returns in the current year could significantly impact our long-term assumptions.

Colgate University
Operating Budget Sensitivity (in \$millions)

| | Budget Projections - (March 8, 2016) | | | | | |
|--------------------------------|--|--|-----------------|-----------------|-----------------|-----------------|
| | Based on 2016/17 Proposed (in \$millions) | | | | | |
| | 2015-16 Budget | 2016-17 Proposed Budget | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| <i>Income</i> | | | | | | |
| Tuition and Fees | \$ 147.2 | \$ 153.5 | \$ 158.9 | \$ 164.4 | \$ 170.2 | \$ 175.5 |
| Less Financial Aid | 53.2 | 58.3 | 61.2 | 62.4 | 63.1 | 65.7 |
| Net Tuition Revenue | \$ 94.0 | \$ 95.2 | \$ 97.6 | \$ 102.0 | \$ 107.1 | \$ 109.8 |
| <i>Tuition Discount Rate %</i> | 36.1% | 38.0% | 38.6% | 38.0% | 37.1% | 37.5% |
| Auxiliary & LLC Income | 30.5 | 32.0 | 33.0 | 34.1 | 35.2 | 36.4 |
| Private Gifts and Grants: | | | | | | |
| Unrestricted | 6.3 | 6.6 | 6.8 | 6.9 | 7.1 | 7.3 |
| Restricted | 3.3 | 3.4 | 3.5 | 3.6 | 3.6 | 3.7 |
| Endowment Support "Approved" | 42.3 | 45.0 | 46.3 | 47.7 | 49.1 | 50.6 |
| Other income sources | 3.4 | 3.7 | 3.8 | 3.8 | 3.9 | 4.0 |
| Total Income | \$ 179.8 | \$ 185.9 | \$ 191.0 | \$ 198.1 | \$ 206.1 | \$ 211.7 |
| <i>Expenses</i> | | | | | | |
| Faculty Salaries | \$ 32.7 | \$ 33.8 | \$ 34.5 | \$ 35.2 | \$ 35.9 | \$ 36.7 |
| Other Salaries | 45.5 | 47.3 | 49.0 | 50.0 | 51.1 | 52.1 |
| Benefits | 22.9 | 24.1 | 25.8 | 27.4 | 29.2 | 31.0 |
| Subtotal compensation | \$ 101.1 | \$ 105.2 | \$ 109.3 | \$ 112.7 | \$ 116.2 | \$ 119.9 |
| Non-Compensation Expense | 62.1 | 63.6 | 65.1 | 66.5 | 68.0 | 69.6 |
| Net Debt Service | 8.8 | 9.5 | 10.2 | 11.0 | 11.8 | 12.3 |
| Transfers to Capital Reserves | 7.8 | 7.6 | 7.8 | 8.1 | 8.3 | 8.6 |
| Total Expense | \$ 179.8 | \$ 185.9 | \$ 192.4 | \$ 198.2 | \$ 204.3 | \$ 210.3 |
| Surplus (Deficit) | \$ - | \$ 0.0 | \$ (1.4) | \$ (0.1) | \$ 1.7 | \$ 1.5 |

| <i>Assumptions</i> | <i>2016-17</i> | <i>2017-18</i> | <i>2018-19</i> | <i>2019-20</i> | <i>2020-21</i> |
|--|----------------|----------------|----------------|----------------|----------------|
| Total Student Charges Increase | 4.00% | 3.5% | 3.5% | 3.5% | 3.5% |
| <i>* Sensitivity: 1% change in pricing equals net impact of approximately \$1.0M in FY 2016/17</i> | | | | | |
| The Colgate Fund | 0.0% | 2.5% | 2.5% | 2.5% | 2.5% |
| Endowment Support | 5.5% | 3.0% | 3.0% | 3.0% | 3.0% |
| Faculty Salary Pool Increase | 2.1% | 2.1% | 2.1% | 2.1% | 2.1% |
| Staff Salary Pool Increase | 2.1% | 2.1% | 2.1% | 2.1% | 2.1% |
| Benefit Increase | 6.1% | 6.0% | 6.0% | 6.0% | 6.0% |
| <i>* Sensitivity: 1% change in faculty/staff salaries equals approximately \$800K in total comp for FY 2016/17</i> | | | | | |
| Non-Compensation Increase | 2.8% | 2.0% | 2.0% | 2.0% | 2.0% |

| | | | | | |
|-----------------------|----------|----------|----------|----------|----------|
| Enrollment | 2,840 | 2,840 | 2,840 | 2,840 | 2,830 |
| Total Student Charges | \$65,030 | \$67,306 | \$69,661 | \$72,099 | \$74,623 |

Revenue Highlights

Colgate's operating budget revenue is projected to be \$185.9 million in 2016/17, an increase of 3.4% over the current year budget.

Total Student Charges

Total student charges for 2016/17 are \$65,030. This represents a 3.98% increase over 2015/16 charges, and is higher than the 2.1% per capita disposable income guideline. A detailed comparison by component of next year's student charges is as follows:

| | <u>2015/16</u> | <u>2016/17</u> | <u>\$ change</u> | <u>% change</u> |
|---------|----------------|----------------|------------------|-----------------|
| Tuition | \$49,650 | \$51,635 | \$1,985 | 4.00% |
| Fees | 320 | 320 | 0 | 0.00% |
| Room | 6,065 | 6,310 | 245 | 4.04% |
| Board | <u>6,505</u> | <u>6,765</u> | <u>260</u> | <u>4.00%</u> |
| Total | \$62,540 | \$65,030 | \$2,490 | 3.98% |

During its February 26 conference call, the Trustee Executive Committee approved total student charges for 2016/17. The 2016/17 charges, along with a historical comparison, are shown on page 8. Early indications are that our 3.98% price increase should keep Colgate competitively positioned on total student charges among national, highly selective private college and universities.

Net Tuition Revenue and Enrollment

Gross Tuition and fee revenue is projected to increase by 4.3%, based on budgeted enrollment of 2,840 undergraduates and tuition charges of \$51,635. In addition, 2016/17 includes the third year with approved programs (study abroad) where participants will pay Colgate tuition for any of the approved programs offered. Overall, **net tuition revenue** is growing by 1.3% for a total of \$95.2 million in the proposed budget.

The budgeted undergraduate **enrollment** of 2,840 for 2016/17 is ten more than the current year. To meet the enrollment budget, Colgate aims to enroll a first-year class of 770 in the fall of 2016. Operating revenue is relatively sensitive to minor fluctuations in enrollment. A variation of 10 students can add or subtract approximately \$350,000 in net tuition revenue depending upon whether the enrollment variation occurs among aided or non-aided students. Factors that can affect enrollment include the ability to enroll a first year class on-target, success in transfer admission, retention rates and changes in the pattern of other leaves of absence.

Financial aid is projected to be \$58.3 million with a projected tuition discount rate of 38.0%. The financial aid budget will grow by \$5.0 million or 9.5% over the current year budget. The Class of 2020 is targeted to have 317 aided students out of a total class of 770, which represents 41.2% of the class. Given that the previous two incoming classes have

exceeded the financial aid budget, we must make provisions and carry this commitment into the 2016/17 operating budget and beyond.

Details of the financial aid budget are shown on page 10.

Non-Tuition Revenues

Auxiliary Income is derived primarily from room and board which totals \$30.8 million. Other auxiliary income sources are from the Bookstore, Seven Oaks Golf Club and Camp Colgate. Improved revenue and operating strategies have been implemented to improve overall bottom-line results in each of these areas. A detailed breakdown of auxiliary revenue and expense appears on page 31.

Colgate LLCs are the Colgate Inn, Palace Theater, Hamilton Movie Theater and Hamilton Initiative. These also have operating strategies to improve bottom-line results.

The **Unrestricted Annual Fund** is budgeted at \$6.6 million for 2016/17. This represents a \$300K increase from last year's budget and \$600K over 2014/15 actual results and reflects a focused effort to emphasize unrestricted giving through the recently rebranded Colgate Fund.

The **restricted** giving budget represents grants and gifts known at the time the budget is prepared. Additional restricted giving is often achieved, however it is usually accompanied by offsetting additional expense and therefore does not have any bottom line impact.

The amount of **endowment support** for operations will increase to \$46.3 million (or 6.2% over the approved spending amount in the current year) for 2016/17. This level of endowment spending was approved by the Finance Committee at its December 2015 meeting.

Athletic income is budgeted at \$1.8 million for 2016/17, a \$0.2 million increase. This area includes revenue received from the NCAA and increased goals by the athletic department in areas of guarantee games, corporate sponsorship, rentals and personal training programs.

Other income sources is budgeted at just under \$1.0 million, only slightly less than the current year budget. This includes items such as interest income, credit card rebates, parking fines and royalty and licensing agreements.

Enrollment

| | Fall | | Spring | | Annual | |
|-------------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|
| | *FTE | Colgate Study Group | *FTE | Colgate Study Group | *FTE | Colgate Study Group |
| Projected 2018-19 | 2,860 | | 2,820 | | 2,840 | |
| Projected 2017-18 | 2,860 | | 2,820 | | 2,840 | |
| Proposed 2016-17 | 2,856 | (97) | 2,824 | (161) | 2,840 | (129) |
| <i>Actual 2015-16</i> | <i>2,834</i> | <i>(93)</i> | <i>2,794</i> | <i>(117)</i> | <i>2,814</i> | <i>(105)</i> |
| Budget 2015-16 | 2,843 | (100) | 2,816 | (125) | 2,830 | (113) |
| Actual 2014-15 | 2,864 | (88) | 2,817 | (156) | 2,841 | (134) |
| Actual 2013-14 | 2,871 | (86) | 2,864 | (129) | 2,868 | (108) |
| Actual 2012-13 | 2,850 | (119) | 2,855 | (161) | 2,853 | (140) |
| Actual 2011-12 | 2,926 | (142) | 2,887 | (128) | 2,907 | (135) |
| Actual 2010-11 | 2,868 | (72) | 2,906 | (161) | 2,887 | (117) |
| Actual 2009-10 | 2,800 | (141) | 2,710 | (119) | 2,755 | (130) |
| Actual 2008-09 | 2,804 | (116) | 2,764 | (146) | 2,784 | (131) |
| Actual 2007-08 | 2,800 | (143) | 2,735 | (120) | 2,768 | (132) |
| Actual 2006-07 | 2,757 | (91) | 2,713 | (163) | 2,735 | (127) |
| Actual 2005-06 | 2,750 | (147) | 2,716 | (141) | 2,733 | (144) |
| Actual 2004-05 | 2,798 | (139) | 2,716 | (138) | 2,757 | (139) |
| Actual 2003-04 | 2,768 | (155) | 2,685 | (86) | 2,727 | (121) |
| Actual 2002-03 | 2,793 | (113) | 2,642 | (113) | 2,718 | (113) |
| Actual 2001-02 | 2,778 | (163) | 2,683 | (145) | 2,731 | (154) |
| Actual 2000-01 | 2,772 | (148) | 2,638 | (111) | 2,705 | (130) |
| Actual 1999-00 | 2,803 | (143) | 2,633 | (145) | 2,718 | (144) |
| Actual 1998-99 | 2,767 | (155) | 2,649 | (115) | 2,708 | (135) |
| Actual 1997-98 | 2,840 | (165) | 2,722 | (115) | 2,781 | (140) |
| Actual 1996-97 | 2,848 | (185) | 2,751 | (133) | 2,800 | (159) |

* FTE numbers include Colgate study group numbers

Total Student Charges at Colgate and Reference Colleges (Groups 1 and 2)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Increase Over Prior Year (\$) | Increase Over Prior Year (%) | Ratio Other/CU 2015-16 | 5 Yr. Avg. Inc. 2010-2011 to 2015-2016 |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------------|------------------------------------|------------------------------|--|
| Oberlin | \$52,587 | \$54,760 | \$57,025 | \$59,474 | \$61,788 | \$64,224 | 2,436 | 3.9% | 1.03 | 4.1% |
| Haverford | 52,970 | 55,050 | 56,992 | 59,236 | 61,564 | 63,986 | 2,422 | 3.9% | 1.02 | 3.9% |
| Trinity | 53,380 | 55,450 | 57,530 | 59,810 | 61,756 | 63,920 | 2,164 | 3.5% | 1.02 | 3.7% |
| Amherst | 51,522 | 54,098 | 56,260 | 58,744 | 61,206 | 63,772 | 2,566 | 4.2% | 1.02 | 4.4% |
| Dartmouth | 52,275 | 55,366 | 57,996 | 60,201 | 61,947 | 63,744 | 1,797 | 2.9% | 1.02 | 4.0% |
| Williams | 52,340 | 54,560 | 56,770 | 58,900 | 61,070 | 63,290 | 2,220 | 3.6% | 1.01 | 3.9% |
| Vassar | 53,270 | 55,135 | 57,070 | 59,070 | 61,140 | 63,280 | 2,140 | 3.5% | 1.01 | 3.5% |
| Connecticut | 53,110 | 54,970 | 56,790 | 58,780 | 60,895 | 62,965 | 2,070 | 3.4% | 1.01 | 3.5% |
| Colgate | 52,060 | 53,570 | 55,715 | 57,890 | 60,145 | 62,540 | 2,395 | 4.0% | 1.00 | 3.7% |
| Wesleyan | 53,676 | 55,706 | 58,202 | 59,884 | 61,198 | 62,478 | 1,280 | 2.1% | 1.00 | 3.1% |
| Bucknell | 52,280 | 54,240 | 56,190 | 58,160 | 60,140 | 62,368 | 2,228 | 3.7% | 1.00 | 3.6% |
| Union | 52,329 | 54,273 | 56,289 | 58,248 | 60,240 | 62,274 | 2,034 | 3.4% | 1.00 | 3.5% |
| St. Lawrence | 51,770 | 53,740 | 55,835 | 57,900 | 59,982 | 62,150 | 2,168 | 3.6% | 0.99 | 3.7% |
| Hamilton | 51,760 | 53,470 | 55,620 | 57,790 | 59,970 | 62,070 | 2,100 | 3.5% | 0.99 | 3.7% |
| Smith | 51,898 | 53,460 | 55,320 | 57,524 | 59,674 | 61,758 | 2,084 | 3.5% | 0.99 | 3.5% |
| Colby | 51,990 | 53,800 | 55,700 | 57,510 | 59,500 | 61,730 | 2,230 | 3.7% | 0.99 | 3.5% |
| Middlebury | 52,120 | 53,800 | 55,570 | 57,075 | 58,753 | 61,456 | 2,703 | 4.6% | 0.98 | 3.4% |
| Swarthmore | 51,500 | 53,250 | 55,750 | 57,870 | 59,610 | 61,400 | 1,790 | 3.0% | 0.98 | 3.6% |
| Bowdoin | 52,880 | 54,470 | 56,128 | 57,814 | 59,568 | 61,354 | 1,786 | 3.0% | 0.98 | 3.0% |
| Mt. Holyoke | 52,036 | 53,596 | 55,596 | 57,596 | 59,146 | 61,746 | 1,600 | 2.9% | 0.91 | 1.7% |
| Average | \$52,388 | \$54,338 | \$56,317 | \$58,274 | \$60,265 | \$62,375 | \$2,111 | 3.5% | 1.00 | 3.5% |
| Median | \$52,278 | \$54,257 | \$56,225 | \$58,204 | \$60,193 | \$62,423 | \$2,152 | 3.5% | 1.00 | 3.6% |
| Colgate Rank | 13 | 17 | 15 | 13 | 11 | 9 | 5 | 3 | 9 | 6 |
| Colgate | \$52,060 | \$53,570 | \$55,715 | \$57,890 | \$60,145 | \$62,540 | \$2,395 | 4.0% | 1.00 | 3.7% |

Total Student Charges at Colgate and Overlap Colleges (Cross-Admit)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Increase Over Prior Year (\$) | Increase Over Prior Year (%) | Ratio Other/CU 2015-16 | 5 Yr. Avg. Inc. 2010-2011 to 2015-2016 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------------|------------------------------------|------------------------------|--|
| Colby | 51,990 | 53,800 | 55,700 | 57,510 | 59,500 | 63,280 | 3,780 | 6.4% | 1.01 | 4.0% |
| Boston University | 52,124 | 54,130 | 56,184 | 58,530 | 60,694 | 62,956 | 2,262 | 3.7% | 1.01 | 3.8% |
| Boston College | 52,206 | 54,528 | 56,486 | 58,506 | 61,096 | 62,820 | 1,724 | 2.8% | 1.00 | 3.8% |
| Colgate | 52,060 | 53,570 | 55,715 | 57,890 | 60,145 | 62,540 | 2,395 | 4.0% | 1.00 | 3.7% |
| Bucknell University | 52,280 | 54,240 | 56,190 | 58,160 | 60,140 | 62,368 | 2,228 | 3.7% | 1.00 | 3.6% |
| Hamilton College | 51,760 | 53,470 | 55,620 | 57,790 | 59,970 | 62,070 | 2,100 | 3.5% | 0.99 | 3.7% |
| University of Rochester | 51,922 | 53,946 | 56,316 | 58,500 | 60,668 | 61,744 | 1,076 | 1.8% | 0.99 | 3.5% |
| Middlebury College | 52,036 | 53,800 | 55,570 | 57,075 | 58,753 | 61,456 | 2,703 | 4.6% | 0.98 | 3.4% |
| Washington University | 53,070 | 55,111 | 57,285 | 58,818 | 60,844 | 61,366 | 522 | 0.9% | 0.98 | 2.9% |
| University of Richmond | 52,460 | 53,160 | 54,740 | 56,105 | 57,470 | 60,880 | 3,410 | 5.9% | 0.97 | 3.0% |
| Northeastern University | 49,102 | 51,012 | 52,876 | 55,296 | 57,490 | 60,530 | 3,040 | 5.3% | 0.97 | 4.3% |
| Villanova University | 50,570 | 52,070 | 54,133 | 56,286 | 58,244 | 60,320 | 2,076 | 3.6% | 0.96 | 3.6% |
| University of Vermont | 41,952 | 44,132 | 45,676 | 47,148 | 48,654 | 50,310 | 1,656 | 3.4% | 0.80 | 3.7% |
| Average | \$51,041 | \$52,844 | \$54,807 | \$56,740 | \$58,744 | \$60,972 | \$2,229 | 3.8% | 0.97 | 3.6% |
| Median | \$52,036 | \$53,800 | \$55,700 | \$57,790 | \$59,970 | \$61,744 | \$2,228 | 3.7% | 0.99 | 3.7% |
| Colgate Rank | 6 | 8 | 6 | 6 | 5 | 4 | 5 | 5 | 4 | 5 |
| Colgate | \$52,060 | \$53,570 | \$55,715 | \$57,890 | \$60,145 | \$62,540 | \$2,395 | 4.0% | 1.01 | 3.7% |

History of Student Charges at Colgate

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2016-17 % growth by component |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------------------------|
| Tuition | \$39,275 | \$40,690 | \$41,585 | \$42,625 | \$44,330 | \$46,060 | \$47,855 | \$49,650 | \$51,635 | 4.00% |
| Room | 4,650 | 4,815 | 4,920 | 5,140 | 5,345 | 5,555 | 5,775 | 6,065 | \$6,310 | 4.04% |
| Board | 4,975 | 5,155 | 5,270 | 5,510 | 5,730 | 5,955 | 6,195 | 6,505 | \$6,765 | 4.00% |
| Activity Fee | 270 | 280 | 285 | 295 | 310 | 320 | 320 | 320 | \$320 | 0.00% |
| Total | \$49,170 | \$50,940 | \$52,060 | \$53,570 | \$55,715 | \$57,890 | \$60,145 | \$62,540 | \$65,030 | 3.98% |
| \$ growth | 2,340 | 1,770 | 1,120 | 1,510 | 2,145 | 2,175 | 2,255 | 2,395 | \$2,490 | |
| % growth | 5.00% | 3.60% | 2.20% | 2.90% | 4.00% | 3.90% | 3.90% | 3.98% | 3.98% | |

Tuition Only at Colgate and Reference Colleges (Groups 1 and 2)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Increase Over Prior Year (\$) | Increase Over Prior Year (%) | Ratio Other/CU 2015-16 | 5 Yr. Avg. Inc. 10-11 to 15-16 |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------------------------|------------------------------------|------------------------------|--------------------------------------|
| Vassar | 42,560 | 44,050 | 45,580 | 47,180 | 48,840 | 50,550 | 1,710 | 3.5% | 1.02 | 3.5% |
| Oberlin | 41,234 | 42,842 | 44,512 | 46,250 | 48,054 | 49,928 | 1,874 | 3.9% | 1.01 | 3.9% |
| Bucknell | 42,112 | 43,628 | 45,132 | 46,646 | 48,234 | 49,878 | 1,644 | 3.4% | 1.00 | 3.4% |
| Williams | 41,190 | 42,938 | 44,660 | 46,330 | 48,030 | 49,780 | 1,750 | 3.6% | 1.00 | 3.9% |
| Amherst | 40,160 | 42,170 | 43,860 | 45,800 | 47,720 | 49,730 | 2,010 | 4.2% | 1.00 | 4.4% |
| Colgate | 41,585 | 42,625 | 44,330 | 46,060 | 47,855 | 49,650 | 1,795 | 3.8% | 1.00 | 3.6% |
| St. Lawrence | 40,905 | 42,420 | 44,075 | 45,705 | 47,350 | 49,060 | 1,710 | 3.6% | 0.99 | 3.7% |
| Hamilton | 40,870 | 42,220 | 43,910 | 45,620 | 47,350 | 49,010 | 1,660 | 3.5% | 0.99 | 3.7% |
| Wesleyan | 41,814 | 43,404 | 45,358 | 46,674 | 47,702 | 48,704 | 1,002 | 2.1% | 0.98 | 3.1% |
| Haverford | 40,260 | 41,830 | 43,310 | 45,018 | 46,790 | 48,656 | 1,866 | 4.0% | 0.98 | 3.9% |
| Trinity | 40,410 | 41,980 | 43,570 | 45,300 | 46,796 | 48,446 | 1,650 | 3.5% | 0.98 | 3.7% |
| Dartmouth | 39,978 | 41,736 | 43,782 | 45,444 | 46,764 | 48,120 | 1,356 | 2.9% | 0.97 | 3.8% |
| Bowdoin | 41,150 | 42,386 | 43,676 | 45,004 | 46,354 | 47,744 | 1,390 | 3.0% | 0.96 | 3.0% |
| Swarthmore | 39,260 | 40,816 | 42,744 | 44,368 | 45,700 | 47,070 | 1,370 | 3.0% | 0.95 | 3.7% |
| Smith | 38,640 | 39,800 | 41,190 | 42,840 | 44,450 | 46,010 | 1,560 | 3.5% | 0.93 | 3.6% |
| Mt. Holyoke | 40,070 | 41,270 | 41,270 | 41,270 | 42,470 | 43,700 | 1,230 | 2.9% | 0.88 | 1.7% |
| Average | \$40,762 | \$42,257 | \$43,810 | \$45,344 | \$46,904 | \$48,502 | \$1,599 | 3.4% | 0.98 | 3.5% |
| Median | \$40,888 | \$42,303 | \$43,885 | \$45,663 | \$47,350 | \$48,857 | \$1,655 | 3.5% | 0.98 | 3.7% |
| Colgate Rank | 4 | 6 | 6 | 6 | 5 | 6 | 4 | 4 | 5 | 10 |
| Colgate | \$ 41,585 | \$ 42,625 | \$ 44,330 | \$ 46,060 | \$ 47,855 | \$ 49,650 | \$ 1,795 | 3.8% | 1.00 | 3.6% |

Financial Aid

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|
| Undergraduate Scholarships | \$49,330,170 | \$52,378,013 | \$57,724,503 | 10.2% |
| Graduate Scholarships | \$195,846 | 242,933 | 254,359 | 4.7% |
| Prizes and Special Awards | \$568,186 | 598,662 | 542,512 | -9.4% |
| Total | \$50,094,202 | \$53,219,608 | \$58,521,373 | 10.0% |

| Restated by Source of Funding | Percentage of Total | | | |
|--------------------------------------|--------------------------------|---------------------|---------------------|---------------|
| Endowment | \$15,045,191 | \$16,054,653 | \$17,016,777 | 29.1% |
| Restricted Gifts | 67,320 | 250,900 | 225,725 | 0.4% |
| Government Grants | 270,925 | 270,925 | 270,925 | 0.5% |
| Unrestricted Funds | 34,710,766 | 36,643,130 | 41,007,946 | 70.1% |
| Total | \$50,094,202 | \$53,219,608 | \$58,521,373 | 100.0% |

| | Actual 2014-15 | Budget 2015-16 | <i>Projected</i> Actual 2015-16 | Proposed 2016-17 |
|--------------------------------------|-------------------|-------------------|---------------------------------------|---------------------|
| Undergraduate Students with | | | | |
| Institutional Grants: | 1,264 | 1,283 | 1,324 | 1,322 |
| Student Body (FTE) | 2,841 | 2,830 | 2,814 | 2,840 |
| % of Student Body with Grants | 44.5% | 45.3% | 47.1% | 46.5% |
| Total Financial Aid | \$50,094,202 | \$53,220,000 | \$54,500,000 | \$58,290,000 |
| Net Tuition Revenue | \$91,655,880 | \$93,956,000 | \$92,500,000 | \$95,185,000 |
| Net Tuition Revenue - Percent Change | 4.5% | 0.4% | 0.9% | 1.3% |
| Effective Tuition Discount | 35.3% | 36.2% | 37.1% | 38.0% |
| Amount of Aid from: | | | | |
| Loans | \$3,666,944 | \$3,600,000 | \$3,516,198 | \$3,600,000 |
| Jobs | \$1,407,934 | \$1,800,000 | \$1,887,186 | \$1,900,000 |
| Outside Grants* | \$2,776,799 | \$2,900,000 | \$2,948,471 | \$2,900,000 |
| Colgate Grant Recipients: | | | | |
| (First-Year Students Only) | 347 | 334 | 373 | 317 |
| First-Year Enrollment (FTE) | 767 | 760 | 774 | 770 |
| % of First-Year Students | 45.2% | 43.9% | 48.2% | 41.2% |

* Mainly New York State and federal grants

Net Tuition Revenue (\$000s)

| | Tuition | | | | | | |
|------------------------|------------------|-------------|-----------------|-------------|-----------------|-------------|---------------|
| | Gross Income | Annual | Colgate | Annual | Net Tuition | Annual | Tuition |
| | (Aggregate) | Growth | Grant Aid | Growth | Revenue | Growth | Discount Rate |
| Projected 2018-19 | \$164,400 | 3.5% | \$62,400 | 1.9% | \$102,000 | 4.2% | 38.0% |
| Projected 2017-18 | \$158,900 | 3.5% | \$61,200 | 5.0% | \$97,700 | 2.6% | 38.5% |
| Proposed 2016-17 | \$153,476 | 4.3% | \$58,290 | 9.5% | \$95,186 | 1.3% | 38.0% |
| Projected 2015-16* | \$147,006 | 3.7% | \$54,518 | 8.8% | \$92,488 | 0.9% | 37.1% |
| Budget 2015-16* | \$147,176 | 3.8% | \$53,220 | 6.2% | \$93,956 | 2.5% | 36.2% |
| 2014-15 | \$141,750 | 6.0% | \$50,094 | 8.8% | \$91,656 | 4.5% | 35.3% |
| 2013-14 | \$133,736 | 4.5% | \$46,041 | 5.6% | \$87,695 | 4.0% | 34.4% |
| 2012-13 | \$127,935 | 2.2% | \$43,612 | 2.9% | \$84,323 | 1.6% | 34.1% |
| 2011-12 | \$125,238 | 3.2% | \$42,366 | 10.5% | \$82,872 | -0.2% | 33.8% |
| 2010-11 | \$121,344 | 7.3% | \$38,345 | 4.3% | \$82,999 | 8.1% | 31.6% |
| 2009-10 | \$113,041 | 2.6% | \$36,750 | 7.5% | \$76,291 | 0.4% | 32.5% |
| 2008-09 | \$110,193 | 5.6% | \$34,188 | 4.4% | \$76,005 | 6.2% | 31.0% |
| 2007-08 | \$104,329 | 8.6% | \$32,761 | 8.4% | \$71,568 | 8.7% | 31.4% |
| 2006-07 | \$96,043 | 6.1% | \$30,221 | 5.8% | \$65,822 | 6.3% | 31.5% |
| 2005-06 | \$90,502 | 4.3% | \$28,577 | 4.3% | \$61,925 | 4.2% | 31.6% |
| 2004-05 | \$86,797 | 6.0% | \$27,391 | 7.3% | \$59,406 | 5.3% | 31.6% |
| 2003-04 | \$81,920 | 5.9% | \$25,527 | 4.6% | \$56,393 | 6.5% | 31.2% |
| 2002-03 | \$77,381 | 4.3% | \$24,409 | 14.6% | \$52,972 | 0.1% | 31.5% |
| 2001-02 | \$74,213 | 6.0% | \$21,291 | 4.2% | \$52,922 | 6.8% | 28.7% |

* Annual growth rate over 2014-15 actuals

Comparable Tuition Discount Rate (Financial Aid as a Percentage of Tuition & Fees) at Colgate

| 2016 USNWR** Rank | Institution | Discount Rate 2010/11 | Discount Rate 2011/12 | Discount Rate 2012/13 | Discount Rate 2013/14 | Discount Rate 2014/15 | 2015 Endowment Assets per FTE Student (\$) |
|-------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|
| 19 | Grinnell College | 61.5% | 63.6% | 61.7% | 63.0% | 60.6% | 1,056,202 |
| 9 | Davidson College | 54.1% | 54.9% | 54.0% | 54.0% | 50.6% | 385,593 |
| 23 | Macalester College | 48.1% | 48.4% | 50.9% | 49.6% | 50.4% | 370,934 |
| 14 | Smith College | 47.0% | 47.9% | 49.4% | 48.5% | 49.3% | 609,434 |
| 4 | Wellesley College | 49.6% | 49.5% | 52.6% | 50.6% | 49.1% | 832,804 |
| 4 | Pomona College | 44.5% | 45.5% | 46.7% | 47.6% | 48.6% | 1,278,142 |
| 12 | Vassar College | 45.8% | 48.2% | 49.3% | 47.7% | 46.5% | 410,659 |
| 2 | Amherst College | 54.2% | 54.1% | 55.1% | 55.8% | 45.9% | 1,224,057 |
| 1 | Williams College | 49.8% | 49.2% | 49.4% | 49.4% | 45.2% | 1,140,169 |
| 25 | Bryn Mawr College | 42.2% | 43.4% | 46.3% | 44.3% | 43.8% | 515,199 |
| 3 | Swarthmore College | 42.8% | 44.0% | 42.8% | 41.2% | 42.4% | 1,201,173 |
| 14 | Washington and Lee University | 36.5% | 37.9% | 39.0% | 40.1% | 41.4% | 651,391 |
| 12 | Haverford College | 38.4% | 39.8% | 40.7% | 40.0% | 40.3% | 415,771 |
| 23 | Oberlin College | 42.9% | 42.1% | 40.2% | 40.1% | 39.9% | 282,101 |
| 14 | Harvey Mudd College* | 40.7% | 39.3% | 39.3% | 38.6% | 39.4% | 360,045 |
| 4 | Bowdoin College | 36.0% | 36.5% | 37.2% | 38.5% | 37.9% | 772,469 |
| 25 | Bates College * | 34.4% | 36.3% | 35.7% | 38.4% | 37.7% | 147,491 |
| 14 | Hamilton College | 32.8% | 32.6% | 34.7% | 35.9% | 36.6% | 451,196 |
| 14 | Wesleyan University | 34.3% | 37.0% | 37.3% | 35.7% | 36.1% | 257,752 |
| 8 | Carleton College | 36.2% | 36.2% | 36.1% | 35.1% | 36.1% | 382,486 |
| 19 | Colgate University | 31.7% | 33.8% | 34.2% | 34.4% | 35.4% | 310,378 |
| 25 | Kenyon College | 35.6% | 35.1% | 36.0% | 33.3% | 35.1% | 132,191 |
| 19 | Colby College * | 31.6% | 32.3% | 32.1% | 33.9% | 33.8% | 403,875 |
| 25 | Colorado College | 32.8% | 32.7% | 32.1% | 32.2% | 32.8% | 350,180 |
| 9 | Claremont McKenna College | 29.4% | 27.9% | 27.9% | 33.9% | 31.6% | 555,122 |
| 4 | Middlebury College * | 34.0% | 32.9% | 33.0% | 34.1% | 27.8% | 439,428 |
| Median | | 39.6% | 39.6% | 39.7% | 40.0% | 40.1% | \$427,600 |

* Note: These schools offer a comprehensive tuition and fee package or list in aggregate the total student charges on their financial statements. In order to calculate a tuition and fee only income amount, assumptions were made based on the percentage tuition and fee component at schools with similar overall charges. Therefore, the discount rates for these schools have been estimated.

** US News and World Report, America's Best Colleges

Compensation Summary

Compensation Expense

Colgate, as with any college or university, is a labor-intensive operation, with approximately 57% of expenses allocated to compensation. A breakdown of the compensation budget is shown on page 15.

Salaries

The *faculty salary* pool for continuing faculty is increasing at 2.1%, the calculated rate of increase in Per Capita Disposable Income over the last two years. To augment this increase, we have set aside anticipated turnover savings of approximately \$300K of funding to reward promotions and strong performance as well as to address any necessary adjustments. Individual faculty salary increases will vary based on merit, length of service and academic rank. Colgate's goal is to maintain the competitive standing of average compensation within its reference groups.

The 2016/17 operating budget includes two new faculty positions that were previously approved.

The *staff salary* pool for continuing staff will increase by 2.1% with an additional \$200K set aside for promotions and market adjustments. We have set aside \$155K to fund the staff bonus program to reward and recognize exceptional performance.

The ColGreat program is a new program that began in the current year to recognize staff members who displayed outstanding achievement in the areas of communication, innovation, leadership, change management, and embracing diversity and inclusion. These employees are peer-nominated and publically acknowledged. We have budget \$10K for these recognition awards.

One staff position (assistant Director of Compliance) has been approved for 2016/17. This position will be funded through the NCAA, which means it will not have a bottom line impact. In addition, these funds will enhance the areas that directly benefit our student athletes in the areas of academic support and/or NCAA compliance.

Benefits

Fringe benefits are budgeted to increase by 5.0% in 2016/17. One of the largest expense items within fringe benefits is the premiums associated with the healthcare coverage provided to active employees and retirees. In October 2013, the Board of Trustees approved the conversion from a fully insured healthcare plan to a partially self-funded plan with additional stop-loss coverage effective January 1, 2014. This plan change has allowed the university to avoid significant healthcare cost increases while simultaneously keeping copays and coverage essentially the same.

When setting the budget we used our half-year of 2016 actual of 3.1% and a second half year of a projected 7.25%. We are cautiously optimistic that we will be able to continue to keep fringe benefit costs low. Being self-insured, there is the potential for an off year with larger insurance claims that may impact healthcare costs. To date, the shift to self-insurance has been favorable for Colgate.

Compensation Analysis

| | 2014-15 | 2015-16 | 2016-17 | | Percent |
|-----------------------------------|---------------------|------------------------|------------------------|--------------------|----------------|
| | Approved | Approved Budget | Proposed Budget | Variance | Change |
| Faculty Salaries | \$31,938,642 | \$32,698,085 | \$33,764,907 | \$1,066,822 | 3.3% |
| Staff Salaries | 42,981,636 | 43,966,677 | 45,678,458 | \$1,711,781 | 3.9% |
| Faculty and Staff Fringe Benefits | 24,377,898 | 25,200,369 | 26,448,742 | \$1,248,372 | 5.0% |
| Buildings & Grounds Chargebacks | (2,290,000) | (2,300,000) | (2,300,000) | \$0 | 0.0% |
| Student Wages | 1,542,469 | 1,531,768 | 1,577,294 | \$45,526 | 3.0% |
| Total Compensation | \$98,550,645 | \$101,096,899 | \$105,169,400 | \$4,072,501 | 4.1% |

Expense by Type (see page 2)

Non-Compensation Expense

Contracted services will increase \$488K. A key component of contracted services is the costs associated with Colgate's meal plans, where we have assumed an expense increase of 3.4%. In addition, we anticipate more students will participate on the premier meal plan which results in \$550K over the current year budget. Offsetting meal plan revenue appears in the area of auxiliary income. Other increases in this category include Professional Fees (\$31K), Legal Fees (\$30K) and Contract Maintenance (\$22K). Lecturer/Consultant, Other Fees/Contractual, and Bank Fees have all remained flat or had slight decreases.

Utilities will increase slightly by \$63K or 1.2% in 2016/17, this is after the addition of utility expenses for the Class of 65 Arena. Work continues on optimizing our systems, improving building envelop performance and fine tuning the use of various fuel sources now available due to our heating plant conversion. Colgate continues to benefit from using wood-chips as one of its primary fuel sources for steam heat for the main campus and has recently negotiated better pricing through a competitive process. The increase in water and sewage fees accounts for the bulk of the utilities increase in 2016/17.

Equipment expense will increase by \$187K or 7.0% in 2016/17. Of that total, \$130K is for ITS Academic Desktop support. Major Equipment also increases with purchases budgeted for biology and the natural sciences.

Library acquisitions will rise by \$79K or 3.0% from the current year budget. The majority of this increase is tied directly to "serials" inflation.

Travel and entertainment (overall, including study groups) will decrease by \$131K or 1.6% in 2016/17. Travel costs associated with Colgate's study abroad program (Colgate led groups) decreased by \$314K due to fewer groups traveling. Student/Team Travel increases \$100K, and Employee Travel expense increases by \$90K.

Printing, postage and publications will decrease by \$143K in 2016/17. We continue to find ways to do more web-based and other electronic forms of communication. Many departments on campus continue to look for ways to reduce paper dependency and taking advantage of electronic methods is a cost-effective measure. In an effort to ensure expenditures are budgeted and accounted for accurately, a new account for copy charges was created and in most cases reallocated from the general operating account.

Taxes, contributions and insurance rises by \$59K in 2016/17. Property Tax is the main driver behind this increase for 2016/17.

General Program Expense increases by \$1.4 million or 7.2% in 2016/17. The majority of the increase is associated with restricted funds (roughly \$1.0 million) and includes areas such as Student Internships in the Career Planning Office, Dean of Faculty Programs, and endowment spending increases of \$800K. The remaining increase is unrestricted spending

for study groups, Presidential contingency funding, and operating expenses to support the Class of '65 Arena.

A more detailed summary of the performance of all of Colgate's auxiliary operations including *LLC expenses* is shown on page 31.

Net debt service rises by \$662K or 7.5% in 2016/17. The university's past practice has been for net debt service to increase by 4% which would have resulted in a \$353K increase. Additional debt service associated with the \$55 million in new debt has been incorporated into the operating budget. This increase is being offset by an additional draw from Fund B¹ of approximately \$4.5 million.

Plant/other transfers (net) will decrease by 1.9% in 2016/17 as we move funding for vehicle replacement to lease expenses. The great majority of the transfer to plant is allocated to the capital project reserves.

A central *contingency* of \$250K is budgeted for 2016/17.

¹ Fund B is a quasi-endowment fund that was established in fiscal 1999 by the Board with certain unrestricted major gifts. The unrestricted gifts transferred to Fund B were invested alongside the endowment; however, Fund B is not subject to the university's endowment spending rule. While the university is allowed to access Fund B at any time to meet current and/or future financial obligations, it is currently being used to smooth the impact of annual "gross" debt service on the operating budget.

Expense by Program Area

A summary of expense by program is shown on page 22.

Program expense budgets also include compensation.

Instruction

Instruction includes most faculty compensation and other costs directly related to teaching.

Cost of *instruction* increases by 2.8% in 2016/17 (details on page 23). The increases in instruction are largely due to increases in salaries and additional program support for academic departments.

Compensation accounts for 79% of the total cost of instruction. As explained on page 13, the salary pool for continuing faculty will rise by 2.1%. To augment this increase, anticipated turnover savings of \$300K have been set aside to reward promotions and strong performance as well as to address any necessary adjustments.

Athletics

Athletics includes both intercollegiate and physical education expenditures. (Details on page 24). The overall *athletics* budget is increasing by 3.8% (\$499K) for 2016/17. The majority of that increase is compensation followed by increased travel expense.

During the last several years the Division of Athletics has been working to budget a higher level of support from restricted funds (support groups) and become less reliant on unrestricted sources of support.

Research

Research includes Colgate-sponsored research and outside (non-federal) grants (i.e. it does not include National Science Foundation grants to faculty members). The budget number fluctuates substantially from year to year as it reflects grants known at the time the budget is prepared (often these are continuations of multi-year grants). Actual grant-funded research expense tends to be higher than budget, but has no bottom line impact.

Academic Support

Academic Support costs are essentially flat overall and include the cost of Colgate's libraries, the majority of the operating cost of Information Technology Services, the Picker Art Gallery, resources for curriculum development, and other administrative expenses that support, but are not part of direct instructional expense.

The *library* budget shows an increase of 1.7% (details on page 25). As stated earlier, this increase is due to the level of inflation experience with serials. The library has worked on reducing expenditures in many areas in order to accommodate the increase in serials without jeopardizing student and faculty research needs. In addition, the library continues to seek

ways to improve operational efficiencies by taking advantage of consortia arrangements and other cost-cutting strategies.

Information technology services (ITS) budget is increasing by 2.5% (details on page 26). The budget for 2016/17 will allow ITS to continue offering high levels of service to students, faculty, and staff. In addition, ITS has been supporting many university and departmental initiatives related to the OAK project (Optimization, Analytics and Knowledge). Some of these initiatives include the build-out of our business intelligence and data warehouse project, customer relationship management (CRM) systems and the Concur travel and expense initiative. These projects are good examples of how we can reduce costs and improve efficiencies.

Student Services

Student services budget remains flat with a 0.3% increase. (details on page 27). Student Services includes the majority of the Dean of the College operations, and also the offices of Admission, Financial Aid and Chaplain.

A vital new program that will have a broad impact on the students and the community is the Sexual Assault Nurse Examiner (SANE), which is funded in the 2016/17 budget. Representatives from Colgate University, Community Memorial Hospital (CMH), Victims of Violence, Cazenovia College, and Morrisville State University are working with the Sexual Assault Nurse Examiner program in Onondaga County through Vera House, Inc., to help train local nurses and implement CMH coverage within 6-12 months. The SANEs will be available to the local community as well as to Colgate, thereby providing this important service to the entire area.

The second phase of the residential commons programming, Commons 2 (Bryan Complex) has been incorporated into the 2016/17 budget. Funding for 2016/17 includes programming costs and one-time expenses, all aimed at creating a more positive and healthy campus climate for all students.

Institutional Support

Institutional Support is budgeted to increase by 9.0% (details on page 28) due primarily to Environmental Health and Safety moving to Institutional Support from Academic Support. The shift in expenses added \$659K to the area of Academic Support, accounting for 26% of the overall increase in this area. When restated by function, the category of Other – Institutional Support Services increased \$1.9 million. Aside from Environmental Health and Safety, other areas include Other General Institutional expense, Retiree Benefits and Affirmative Action. Institutional Support also includes the central administrative offices of the President, the Provost, the Secretary of the Board, Finance and Administration, Human Resources, Institutional Advancement, Alumni Affairs, Communications, Purchasing, and the undistributed portion of Printing and Mail Services and the portion of Information Technology Services that relates to administrative computing.

Operation & Maintenance of Plant

The cost of *operation and maintenance of plant* increases 5.1% (details on page 30) primarily due to compensation and higher sewer and water rates.

Debt Service and Plant Renewal

Colgate is able to smooth its actual debt payments (details on page 30) by drawing on unrestricted funds that are invested with the endowment. *Net debt service* will increase by 7.5% in fiscal year 2016/17. This annual growth is consistent with our planned increase and also includes borrowing \$55 million for our future capital projects.

Colgate also provides for the future renewal and improvement of the physical plant and equipment by transferring funds to reserve accounts. *Plant/other transfers* (net) will decrease by 1.9% in 2016/17 as we move funding for vehicle replacement to lease expenses. The great majority of the transfer to plant is allocated to the capital project reserves.

Auxiliary and LLC Operations

Auxiliary and LLC Operations encompasses Colgate's student residences and dining halls; residential properties rented to faculty and staff; various retail operations such as the Bookstore, Hamilton Theater, Movie Theater and the Colgate Inn. Various recreational facilities such as Seven Oaks Golf Course and Colgate Camp at Saranac Lake are also included. The costs associated with Hamilton Initiative are grouped in this category as well. Auxiliary operations are distinguished from most other activities at Colgate as each has its own separately identifiable revenue stream. While all direct costs are allocated, there are examples where indirect costs are not fully distributed. For that reason, Auxiliary Operations produce positive operating margins that support administrative expenses in the "Educational and General Expense" area (details on page 31).

Room and board expense increases by a combined 4.9% in 2016/17. Both housing and dining are largely dependent on the number of students projected to be living in Colgate housing as well as the number of meal plan participants. Colgate is in its first year with food service provider Chartwells and we continue optimizing food selections, operating hours and meal plan options. It is our hope that we can increase the number of students who voluntarily participate in our meal plan offerings next year and in the years to come. Chartwells increased expense is primarily due to the labor contract with the food service workers.

The second category of auxiliary operations is *student services*. As the names suggests these are seen primarily as services to students rather than businesses run for their ability to generate a surplus. Entities included here are the Hamilton Theater and the Palace Theater.

The third category is *other enterprises*. These are closer to stand-alone businesses and encompass a wide variety of services. The Colgate Bookstore, Colgate Inn, Hamilton Initiative, Rental Dwellings, Seven Oaks Golf Course, and Camp Colgate make up the other enterprises category.

The *Bookstore* revenue decreases by 3.1% and expenses increase by 1.5% in 2016/17. The Bookstore continues to face challenges surrounding textbook sales and computer sales with increased competition from outside sources. In order to compensate for the increased pressure to their revenue base, the Bookstore is responding with greater focus on retail opportunities.

Expense by Program

| <u>Expense by Function</u> | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|------------------------------------|----------------------|----------------------|----------------------|-------------------|
| Education and General | | | | |
| Instruction | \$58,334,689 | \$61,425,712 | \$63,123,701 | 2.8% |
| Athletics | 13,596,293 | 13,139,278 | 13,638,570 | 3.8% |
| Research | 838,160 | 739,256 | 745,000 | 0.8% |
| Academic Support | 13,364,587 | 14,789,521 | 14,717,486 | -0.5% |
| Student Services | 11,677,523 | 12,967,224 | 13,011,588 | 0.3% |
| Institutional Support | 27,570,190 | 28,315,535 | 30,851,364 | 9.0% |
| Operation and Maintenance of Plant | 14,592,558 | 14,701,019 | 15,451,250 | 5.1% |
| Debt Service Transfers | 7,008,628 | 7,010,515 | 7,132,933 | 1.7% |
| Debt Service Funded by Reserves | (3,669,447) | (1,300,698) | (2,355,450) | 81.1% |
| Plant Renewal Transfers | 9,736,859 | 5,903,948 | 5,698,947 | -3.5% |
| Total Education and General | 153,050,039 | 157,691,310 | 162,015,390 | 2.7% |
| Auxiliaries | | | | |
| Operating Expense | 15,463,749 | 16,797,452 | 17,106,279 | 1.8% |
| Debt Service Transfers | 4,935,843 | 4,875,475 | 6,871,518 | 40.9% |
| Debt Service Funded by Reserves | 151,777 | (1,369,191) | (2,027,904) | 48.1% |
| Plant Renewal Transfers | 1,671,347 | 1,851,260 | 1,906,260 | 3.0% |
| Total Auxiliaries | 22,222,716 | 22,154,996 | 23,856,153 | 7.7% |
| Contingency | | | | |
| Total Expense | \$175,272,755 | \$179,846,306 | \$185,871,543 | 3.4% |

Instruction

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|-------------------------------------|---------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Faculty Compensation | \$32,240,908 | \$33,002,785 | \$34,100,907 | 3.3% |
| Staff Compensation | 4,022,157 | 4,103,784 | 3,962,724 | -3.4% |
| Fringe Benefits - Faculty and Staff | 9,890,435 | 10,879,734 | 11,169,110 | 2.7% |
| <u>Student Wages</u> | 350,113 | 344,949 | 359,603 | 4.2% |
| Subtotal Compensation | 46,503,613 | 48,331,251 | 49,592,344 | 2.6% |
| Contracted Services | 624,640 | 767,542 | 707,088 | -7.9% |
| Equipment | 435,657 | 324,614 | 353,016 | 8.7% |
| Travel & Entertainment | 3,913,354 | 3,615,255 | 3,342,447 | -7.5% |
| General Program Expense/Other | 6,857,391 | 8,387,050 | 9,128,807 | 8.8% |
| Total Expense | \$58,334,654 | \$61,425,712 | \$63,123,701 | 2.8% |

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 |
|--|-------------------|---------------------|---------------------|
| Academic Faculty | | | |
| Continuing Faculty Positions | 268.4 | 270.4 | 274.8 |
| Total Faculty Teaching (FTE) | 266.7 | 262.6 | 266.1 |
| Paid Faculty Leaves (FTE) | 25.6 | 34.0 | 28.1 |
| Other Teaching Load Reductions (FTE) | 32.7 | 31.5 | 32.3 |
| Total FTE Faculty Paid | 325.0 | 328.1 | 326.5 |
| Instruction Cost/Undergraduate FTE | \$20,533 | \$21,705 | \$22,227 |
| growth rate: | 16.7% | 0.0% | 2.4% |
| Students | | | |
| Undergraduate Enrollment (FTE) | 2,841 | 2,830 | 2,840 |
| Undergraduates per Faculty Paid | 8.7 | 8.6 | 8.7 |
| Undergraduates per Faculty Teaching | 10.7 | 10.8 | 10.7 |
| Off-Campus Study Groups | | | |
| Number of Colgate Study Groups | 17 | 16 | 16 |
| Students on Colgate Study Groups | 244 | 235 | 261 |
| Colgate Extended Study Programs | 6 | 6 | 6 |
| Students on Colgate Extended Study Groups | 70 | 90 | 90 |
| Number of Students per Colgate Study Group | 14.4 | 14.69 | 16.30 |
| Participants in Non-Colgate Study Groups | 197 | 240 | 237 |

Academic Support

Library

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|-------------------------|--------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$2,423,513 | \$2,687,918 | \$2,783,868 | 3.6% |
| Student Wages | 201,506 | 252,020 | 212,772 | -15.6% |
| Subtotal Compensation | 2,625,019 | 2,939,938 | 2,996,640 | 1.9% |
| Contracted Services | 126,093 | 152,543 | 161,149 | 5.6% |
| Library Acquisitions | 2,463,467 | 2,589,743 | 2,678,095 | 3.4% |
| Travel & Entertainment | 34,741 | 33,632 | 37,752 | 12.3% |
| General Program Expense | 325,848 | 366,079 | 341,784 | -6.6% |
| Other Expense | 117,208 | 52,794 | 24,459 | -53.7% |
| Total Expense | \$5,692,375 | \$6,134,730 | \$6,239,879 | 1.7% |

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 |
|--|-------------------|---------------------|---------------------|
| FTE Positions | | | |
| Faculty/Professional (FTE) | 16.5 | 16.5 | 17.55 |
| Clerical/Technical (FTE) | 18.65 | 18.65 | 17.89 |
| Total Staff | 35.15 | 35.15 | 35.44 |
| Library Expense as % of Net E & G | 3.7% | 3.9% | 3.9% |
| Collections | | | |
| Volumes | 813,245 | 824,039 | 833,239 |
| Periodicals - print only | 463 | 402 | 403 |
| Microforms | 443,423 | 443,800 | 442,800 |
| Digital Books | 569,256 | 690,000 | 605,256 |
| Periodicals/Serials - digital | 92,079 | 118,000 | 98,980 |
| Circulation & Library Use | | | |
| On-Campus Regular & Reserve | 67,939 | 70,000 | 68,000 |
| Interlibrary Lending | 10,813 | 11,300 | 10,800 |
| Interlibrary Borrowing (includes ConnectNY) | 8,472 | 10,000 | 8,500 |
| Interlibrary Borrowing as % of Circulation | 12.5% | 14.3% | 13.0% |
| Digital Searches (e-books, e-periodicals/serials) | 1,177,385 | 1,210,000 | 1,242,600 |
| Digital Downloads (e-books, e-periodicals/serials) | 359,778 | 393,615 | 427,615 |

¹ ILL lending suspended during construction period.

Academic Support

Information Technology Services

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|--|--------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$4,278,261 | \$4,614,375 | \$4,806,227 | 4.2% |
| Student Wages | 176,462 | 171,295 | 240,705 | 40.5% |
| Subtotal Compensation | 4,454,724 | 4,785,670 | 5,046,933 | 5.5% |
| Equipment | 1,608,077 | 1,894,920 | 2,005,272 | 5.8% |
| General Program Expense | 1,314,387 | 1,602,441 | 1,538,320 | -4.0% |
| Contracted Services, Repairs and Other Expense | 1,246,410 | 1,205,302 | 1,138,069 | -5.6% |
| Total Expense | \$8,623,597 | \$9,488,333 | \$9,728,593 | 2.5% |

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|--------------------------------|-------------------|---------------------|---------------------|-------------------|
| Total Staff | 45.9 | 47.0 | 47.0 | 0.0% |
| Expense per Undergraduate FTE | \$3,035 | \$3,353 | \$3,426 | 2.2% |
| Number of Laptops and Desktops | 3,514 | 4,114 | 4,114 | 0.0% |
| ITS Expense as % of Net E & G | 5.6% | 6.0% | 6.0% | |

Student Services

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|-------------------------------|---------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$7,295,882 | \$7,671,414 | \$7,910,493 | 3.1% |
| Student Wages | 126,477 | 172,538 | 169,647 | -1.7% |
| Subtotal Compensation | 7,422,359 | 7,843,952 | 8,080,140 | 3.0% |
| Contracted Services | 631,565 | 927,729 | 874,205 | -5.8% |
| Travel & Entertainment | 537,901 | 643,014 | 623,957 | -3.0% |
| General Program Expense/Other | 3,085,698 | 3,552,529 | 3,433,287 | -3.4% |
| Total Expense | \$11,677,523 | \$12,967,224 | \$13,011,588 | 0.3% |

Restated by Department:

| | | | | |
|---|---------------------|---------------------|---------------------|-------------|
| Dean of College | \$2,733,079 | \$3,163,794 | \$3,475,528 | 9.9% |
| Registrar | 402,268 | 386,474 | 387,513 | 0.3% |
| Admissions Office | 3,330,127 | 3,814,704 | 3,804,232 | -0.3% |
| Chaplain | 422,745 | 517,213 | 545,444 | 5.5% |
| Center for Leadership & Student Involvement | 1,048,424 | 1,169,289 | 858,616 | -26.6% |
| Financial Aid Office | 422,844 | 433,923 | 441,314 | 1.7% |
| Residential Education | 553,505 | 615,116 | 539,898 | -12.2% |
| ALANA Cultural Center | 212,719 | 221,839 | 194,262 | -12.4% |
| University Counseling | 710,279 | 633,079 | 653,407 | 3.2% |
| Health Services | 1,731,121 | 1,863,747 | 1,962,611 | 5.3% |
| Gate Card | 110,412 | 148,047 | 148,763 | 0.5% |
| Total Student Services | \$11,677,523 | \$12,967,224 | \$13,011,588 | 0.3% |

Institutional Support

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|---|---------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$17,354,304 | \$18,417,160 | \$20,062,522 | 8.9% |
| <u>Student Wages</u> | 144,614 | 191,853 | 193,962 | 1.1% |
| Subtotal Compensation | 17,498,918 | 18,609,013 | 20,256,484 | 8.9% |
| Contracted services | 2,343,515 | 1,954,115 | 2,079,714 | 6.4% |
| Equipment | 749,284 | 653,635 | 710,689 | 8.7% |
| Travel & Entertainment | 1,012,802 | 1,217,016 | 1,332,762 | 9.5% |
| Printing, Postage & Publications | 1,108,293 | 1,287,385 | 1,212,189 | -5.8% |
| Taxes, Contributions & Insurance | 1,295,553 | 1,209,278 | 1,180,824 | -2.4% |
| General Program Expense/Other | 3,561,825 | 3,385,093 | 4,078,703 | 20.5% |
| Total Expense | \$27,570,190 | \$28,315,535 | \$30,851,364 | 9.0% |
| <u>Restated by Function:</u> | | | | |
| Advancement and Alumni Affairs | \$7,292,201 | \$7,461,390 | \$7,797,270 | 4.5% |
| Career Services | 1,808,628 | 1,633,259 | 2,049,634 | 25.5% |
| Communications | 2,240,279 | 2,474,613 | 2,559,555 | 3.4% |
| Campus Safety | 1,566,937 | 1,655,083 | 1,699,423 | 2.7% |
| a) Administrative Offices | 6,735,065 | 7,268,167 | 7,196,983 | -1.0% |
| Administrative Information Technology | 3,644,352 | 4,021,559 | 3,822,354 | -5.0% |
| b) Other - Institutional Support Services | 4,282,729 | 3,801,465 | 5,726,146 | 50.6% |
| Total | \$27,570,190 | \$28,315,535 | \$30,851,364 | 9.0% |

- a) Administrative Offices includes President, VP for Finance and Administration and Human Resources.
- b) Other - Institutional Support Services includes Printing, Mailroom, Telephone, Retiree Benefits, Liability Insurance, Professional Fees (legal, bank, audit) and Voluntary Payments. Added in 2016/17 is the department of Environmental Health and Safety, which skews the overall increase for 2016/17.

Advancement and Alumni Affairs

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|----------------------------------|--------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$4,891,200 | \$5,181,538 | \$5,445,856 | 5.1% |
| <u>Student Wages</u> | 55,723 | 71,502 | 47,862 | -33.1% |
| Subtotal Compensation | 4,946,923 | 5,253,040 | 5,493,718 | 4.6% |
| Contracted services | 181,389 | 191,571 | 172,485 | -10.0% |
| Travel & entertainment | 517,572 | 601,294 | 672,007 | 11.8% |
| Printing, postage & publications | 366,539 | 397,430 | 375,282 | -5.6% |
| General Program Expense/Other | 1,279,779 | 1,018,054 | 1,083,778 | 6.5% |
| Total Expense | \$7,292,201 | \$7,461,390 | \$7,797,270 | 4.5% |

Communications

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|----------------------------------|--------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$1,602,109 | \$1,809,815 | \$1,874,652 | 3.6% |
| <u>Student Wages</u> | 17,300 | 25,000 | 26,000 | 4.0% |
| Subtotal Compensation | 1,619,409 | 1,834,815 | 1,900,652 | 3.6% |
| Contracted services | 216,721 | 238,000 | 183,720 | -22.8% |
| Travel & entertainment | 42,592 | 45,550 | 61,550 | 35.1% |
| Printing, postage & publications | 260,744 | 289,500 | 280,600 | -3.1% |
| General Program Expense/Other | 100,814 | 66,748 | 133,033 | 99.3% |
| Total Expense | \$2,240,279 | \$2,474,613 | \$2,559,555 | 3.4% |

Career Services

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|----------------------------------|--------------------|---------------------|---------------------|-------------------|
| <u>Expenses</u> | | | | |
| Staff Compensation | \$1,214,447 | \$1,193,921 | \$1,339,155 | 12.2% |
| <u>Student Wages</u> | 41,626 | 46,557 | 51,348 | 10.3% |
| Subtotal Compensation | 1,256,073 | 1,240,478 | 1,390,503 | 12.1% |
| Contracted services | 200 | 0 | 110,002 | N/A |
| Travel & entertainment | 111,936 | 90,701 | 128,798 | 42.0% |
| Printing, postage & publications | 11,976 | 7,500 | 13,998 | 86.6% |
| General Program Expense/Other | 453,469 | 294,579 | 406,333 | 37.9% |
| Total Expense | \$1,833,654 | \$1,633,259 | \$2,049,634 | 25.5% |

Operation and Maintenance of Plant

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|--|---------------------|---------------------|---------------------|-------------------|
| Compensation | \$9,081,084 | \$9,587,570 | \$10,048,327 | 4.8% |
| Compensation Paid by Other Budgets | (2,318,966) | (2,300,000) | (2,300,000) | 0.0% |
| Heating | 2,287,658 | 2,033,465 | 1,964,499 | -3.4% |
| Electricity/Water/Sewer | 1,327,512 | 1,282,554 | 1,430,557 | 11.5% |
| Unscheduled Repairs | 1,555,647 | 1,421,494 | 1,397,927 | -1.7% |
| Scheduled Repairs | 738,249 | 715,641 | 737,110 | 3.0% |
| Property & Fire Insurance | 316,378 | 338,033 | 343,116 | 1.5% |
| Supplies & Other Expenses (includes Colgate Cruiser) | 2,814,588 | 2,842,038 | 2,967,853 | 4.4% |
| Costs Paid by Other Budgets | (1,209,592) | (1,219,775) | (1,138,139) | -6.7% |
| Total Plant | \$14,592,558 | \$14,701,019 | \$15,451,250 | 5.1% |
| | | | | |
| Estimated Total Plant Replacement Value | \$491,557,335 | \$526,631,892 | \$534,531,370 | |
| | | | | |
| Plant Costs as a % of E&G Budget | 9.5% | 9.3% | 9.5% | |
| | | | | |
| Gross Square Footage | 2,310,726 | 2,324,931 | 2,422,000 | |

Debt Service and Plant Renewal

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|-----------------------|--------------------|---------------------|---------------------|-------------------|
| Debt Service: | | | | |
| Educational & General | \$7,008,628 | \$7,010,515 | \$7,132,933 | 1.7% |
| Auxiliary | 4,935,843 | 4,875,475 | 6,871,518 | 40.9% |
| Funded by Reserves | (5,320,720) | (3,049,752) | (4,506,154) | 47.8% |
| Total | \$6,623,751 | \$8,836,238 | \$9,498,297 | 7.5% |

| | Actual 2014-15 | Approved 2015-16 | Proposed 2016-17 | Percent Change |
|---------------------------------------|--------------------|---------------------|---------------------|-------------------|
| Reserved for Plant/Equipment Renewal: | | | | |
| Educational & General | \$7,070,232 | \$5,903,947 | \$5,698,947 | -3.5% |
| Auxiliary | 1,671,347 | 1,851,260 | 1,906,260 | 3.0% |
| Total | \$8,741,579 | \$7,755,207 | \$7,605,207 | -1.9% |

* The auxiliary component includes LLC reserve allocations

Auxiliary and LLC Operations

| | Actual 2014-15 | Approved 2015-16 | Proposed 17APPR | Percent Change |
|---|---------------------|---------------------|---------------------|-------------------|
| Income: | | | | |
| Room and Board | | | | |
| Student Residences | \$14,565,486 | \$15,191,344 | \$15,900,236 | 4.7% |
| Food Services | 8,867,411 | 9,001,325 | 10,296,923 | 14.4% |
| Student Services | | | | |
| Convenience Store | 306,700 | 342,822 | 0 | -100.0% |
| Barge Canal Coffee House | 14,586 | 0 | 0 | N/A |
| Palace Theater | 14,548 | 0 | 12 | N/A |
| Hamilton Theater, LLC | 388,121 | 417,355 | 418,610 | 0.3% |
| Other Enterprises | | | | |
| Colgate Inn | 211,465 | 385,000 | 306,000 | -20.5% |
| Bookstore | 3,318,735 | 3,610,705 | 3,497,442 | -3.1% |
| Recreational Facilities | 812,691 | 945,000 | 935,000 | -1.1% |
| Rental Dwellings | 152,352 | 154,794 | 166,794 | 7.8% |
| Hamilton Initiative, LLC | 487,356 | 492,500 | 494,000 | 0.3% |
| Total Income | \$29,139,453 | \$30,540,845 | \$32,015,017 | 4.8% |
| Expense: | | | | |
| Room and Board | | | | |
| Student Residences | \$6,892,085 | \$7,036,063 | \$7,073,317 | 0.5% |
| Food Services | 5,152,297 | 5,022,564 | 5,570,410 | 10.9% |
| Debt Service | 4,935,843 | 4,875,475 | 6,871,518 | 40.9% |
| Fund B Support | (1,651,233) | (1,369,191) | (2,027,904) | 48.1% |
| Net Debt Service | 3,284,610 | 3,506,284 | 4,843,614 | 38.1% |
| Student Services | | | | |
| Convenience Store | 267,981 | 305,196 | - | -100.0% |
| Barge Canal Coffee House | 26,559 | - | - | N/A |
| Palace Theater | 112,307 | 90,310 | 91,838 | 1.7% |
| Hamilton Theater, LLC | 520,423 | 412,410 | 411,500 | -0.2% |
| Other Enterprises | | | | |
| Colgate Inn | 169,230 | 168,920 | 165,300 | -2.1% |
| Bookstore | 3,510,028 | 3,460,120 | 3,513,414 | 1.5% |
| Recreational Facilities | 1,259,885 | 1,168,089 | 1,166,586 | -0.1% |
| Rental Dwellings | 392,371 | 348,025 | 355,975 | 2.3% |
| Hamilton Initiative, LLC | 634,939 | 637,015 | 617,200 | -3.1% |
| Total Expense | \$22,222,716 | \$22,154,996 | \$23,809,153 | 7.5% |
| Net Financial Contribution: | | | | |
| Room and Board | | | | |
| Student Residences | \$7,673,401 | | \$8,826,919 | |
| Food Services | 3,715,114 | 3,978,760 | 4,726,514 | |
| Net Debt Service | (3,284,610) | (3,506,284) | (4,843,614) | |
| | \$8,103,906 | \$472,476 | \$8,709,819 | |
| Student Services | | | | |
| Convenience Store | 38,719 | 37,626 | 0 | |
| Barge Canal Coffee House | (11,972) | 0 | 0 | |
| Palace Theater | (97,759) | (90,310) | (91,826) | |
| Hamilton Theater, LLC | (132,302) | 4,945 | 7,110 | |
| | (203,314) | (47,739) | (84,716) | |
| Other Enterprises | | | | |
| Colgate Inn | 42,235 | 216,080 | 140,700 | |
| Bookstore | (191,293) | 150,585 | (15,972) | |
| Recreational Facilities | (447,194) | (223,089) | (231,586) | |
| Rental Dwellings | (240,019) | (193,231) | (189,181) | |
| Hamilton Initiative, LLC | (147,583) | (144,515) | (123,200) | |
| | (983,854) | (194,170) | (419,239) | |
| Total Net Financial Contribution | \$6,916,737 | \$230,568 | \$8,205,864 | |

Footnotes:

- a) Recreational Facilities include Camp Colgate and Seven Oaks.
- b) Includes auxiliary plant transfers.
- c) Unallocated repair expense is an estimate of total repairs across all auxiliary operations.
When the expense occurs it is distributed to the appropriate auxiliary operation.