



BOARD OF TRUSTEES – FINANCE AUDIT AND INFRASTRUCTURE COMMITTEE

SUBJECT; Monthly Financial Performance Reports Through July 31, 2020

PRESENTED BY: Sommer Todd

FY2020 to 2021 Financial Analysis #1

FY2020 Operating Year End Actuals

For fiscal year ending June 30, 2020 total revenues are 2.5M lower than the adopted budget. In spite of better than anticipated tuition and fees and interest income, the reduction to state appropriations and other income sources resulted in an overall decline in revenues. Total expenses are 4.4M lower than the adopted budget. The reductions reflect savings from attrition, year-end accounting adjustments to compensation, and the university commitment to focus only on critical expenses in the last quarter of the fiscal year. The net result is an operating surplus of 1.9M.

FY2021 Revenue

Tuition and Fee revenue for Fiscal Year 2021 is expected to exceed the approved budget by \$6M (5%). However, that is 18.4M (12%) lower than FY 20 actuals. This is the largest source of revenue and has declined year over year as demonstrated below.

Below are enrollment and tuition revenue trends for the last five years.

<i>Fiscal Year</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021E</i>
<i>Enrollment Change (Fall term, year on year)</i>	-1.6%	-3.7%	-9.0%	-11.7%	-11.6% (as of 7/31)
<i>Tuition and Fee Change</i>	-\$7.0M -3.6%	-\$14.1M -7.5%	-\$10.5M -6.0%	-\$13.2M -8.1%	-\$18.4M -12.2%
<i>Change in Revenue</i>	-\$1.1M -0.3%	-\$17.8M -5.8%	-\$10.4M -3.6%	-\$24.4M -8.8%	-\$25.6M -10%
<i>Change in Expenses</i>	-\$14.1M -4.1%	-\$53.2M -16.1%	-\$17.9M -6.4%	-\$7.5M -2.9%	-\$12M -4.8%

State appropriations are the second largest source of total revenues. The budget assumed a 20% reduction to SSI based on the guidance provided by ODHE at that time. The anticipated reduction was revised to 4.5% in July along with a “warning label” that the SSI amount is subject to change contingent on the continued impact of COVID-19 on the state’s economy.

In summary, total actual revenues for FY21 are expected to be approximately \$18.8M (9%) above FY21 budget and approximately \$25.6M (10%) below FY20 actual.

FY2021 Expenses

There are no forecasted changes to the adopted expense budget.

The result of current changes to our operating situation is a projected net operating deficit of \$11.7M.

FY2020 to FY2021 Actual Comparison #2

This report compares the actual results to date for the current fiscal year as a percent of the annual budget for the current fiscal year. The same calculation is provided for the same time period of the previous year as a percent of the actual annual results of the previous year.

Total revenues are tracking similarly overall from 2020 to 2021. Expenses are at 7% of the 2021 adopted budget versus 8% in 2020.

Revenue

Sales and Service and Other revenues are lagging due to further cancelled events and refunds related to COVID-19. Related revenue budgets were reduced for FY21 and will lag in at least the first half of fiscal year 2021. This is significant in auxiliaries including Athletics, Dining, and Parking.

Interest Income was removed from the base budget and will fluctuate throughout the fiscal year reflecting actual market conditions.

Expenses

Expenses are tracking similarly in FY21. There are no significant variances to note.

FY2020 to FY2021 Single Month Comparison #3

This report presents the results for the month of July for the current and previous fiscal year.

The variance in Sales and Service and Other Revenues are representative of the current environment. Reductions are seen in vending, hospitality services, athletics, housing, and parking.

There is a timing difference in Other Expenses of \$509K. Property Insurance and Library Periodical expenses are forthcoming and fall in this reporting category.