



**BOARD OF TRUSTEES – FINANCE, AUDIT, GOVERNANCE, AND COMPLIANCE COMMITTEE**

**SUBJECT; Monthly Financial Performance Reports Through July 31, 2021**

**PRESENTED BY: Sommer Todd**

**FY2021 to 2022 Financial Analysis #2**

**FY2021 Operating Year End Actuals**

For fiscal year ending June 30, 2021 actual total revenues were 2.4M higher than anticipated total revenues reported at the FY 2022 budget presentation in June 2021. The primary driver of the increase was an additional 1.6M in investment income reflecting gains in the private equity investments. Final fiscal year numbers for Tuition and Fees revenue, Facilities and Administrative, and Sales and Service netted an increase of 854K.

Actual Total Expenses for FY 2021 were 10.2M lower than the anticipated total reported in June 2021. The reduction was primarily the result of Higher Education Relief Funds recognized in the final month of the fiscal year.

While the University was able to avoid a reduction to reserves for FY 2021, it is important to highlight that it was the result of a reduction in expenditures being larger than the reduction in revenues relative to the prior year. **FY 2021 was not a typical year with respect to expenditures.** Total revenues for FY 2021 were 11M lower than the prior year even with restoration of state support. Lower expenses in certain areas due to remote operations and federal and state relief for COVID related expenses significantly helped in the reduction of reported total expenditures.

Tuition and Fees, the primary source of revenues, were down 11.4M (7.6%) from Fiscal Year 2020 and are projected to decrease by 8.8M (6.3%) in Fiscal Year 2022.

**FY2022 Revenue**

Anticipated Tuition and Fee revenue for Fiscal Year 2022 is unchanged from the approved budget based on the most current data for Fall 2021 enrollment. Estimates for other revenue categories are also unchanged from the approved budget.

Total revenues for FY 2022 are expected to be approximately \$15.9M (6.5%) below FY21 actuals.

**FY2022 Expenses**

There are no changes to the adopted expense budget.

The University is projecting a 10.9M use of reserves for FY 2022.

## Trend

The five-year trend and FY 2022 estimates for enrollment, tuition and fees, operating revenues and expenses demonstrate the continued need for conservative fiscal management.

<i>Fiscal Year</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022 Estimates</i>
<i>Enrollment Change (Total Fall Headcount, year on year) Census Day</i>	-3.7%	-9.0%	-11.7%	-11.6%	-9.4%
<i>Tuition and Fee Change</i>	-\$14.1M -7.5%	-\$10.5M -6.0%	-\$13.2M -8.1%	-\$11.4M -7.6%	-\$8.8M -6.3%
<i>Change in Revenue</i>	-\$17.8M -5.8%	-\$10.4M -3.6%	-\$24.4M -8.8%	-\$11.5M -4.5%	-\$15.9M -6.5%
<i>Change in Expenses</i>	-\$53.2M -16.1%	-\$17.9M -6.4%	-\$7.5M -2.9%	-\$52.7M -26.3%	\$38.4M 19.2%

## **FY2021 to FY2022 Actual Comparison #4**

This report compares the actual results to date 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 revenue percentages are tracking similarly overall from 2021 to 2022. Expenses are at 7% of the 2022 adopted budget versus 9% in 2021.

### **Revenue**

Revenues are tracking similarly to the prior year. There is a percentage variance of note in Sales and Service due to the higher budgeted amount for FY 22 in anticipation improvement in revenue.

### **Expenses**

Expenses are also tracking similarly to those in FY21 through July. There is one variance of note. In Other Expenses, there are timing differences for the University Library periodicals through Elsevier and EBSCO and outside data processing through OCLC Online Computer Library.

There will be significant variances in most expense categories as the University returns to normal operations compared to remote work, the travel freeze, HEERF reimbursement of expenditures, and other one-time impacts in FY21.

## **FY2021 to FY2022 Single Month Comparison #5**

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

The Tuition and Fees revenue variance is in line with the expected 6.3% revenue reduction for the year. Negative variances are observed during tuition billing periods. A reduction of 9.4% in enrollment and 6.3% in revenue are forecasted for FY2022.

Compensation has a slight negative variance given that specific salaries were reallocated to a grant in the prior year.

The variance in Other Expenses is the same timing difference previously described for the University Library periodicals and outside data processing.

Most monthly revenue and expense categories are tracking similarly to the prior year. Negative variances in each of the expense categories are anticipated given the impact of remote operations and relief funds on reported expenditures for FY 2021.