

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

SUBJECT: Monthly Financial Performance Reports Through May 31, 2022
PRESENTED BY: Sommer Todd

FY2021 to 2022 Financial Analysis #2

While the budget approved by the Board anticipated a draw from reserves, operationally the focus has been to reduce expenditures to minimize the draw from reserves. Further, the long-term goal of achieving fiscal stability by aligning operating expenditures with a smaller enrollment base continues to be a guiding principle. With only one month remaining in the current fiscal year, material updates can be made to year-end estimates. Anticipated revenues and expenditures have been evaluated and updated based on forecasts prepared by University Fiscal Services Managers. Consistent with budgeting, the revenue and expenditures forecasts are conservative.

FY2022 Revenue

Anticipated **Tuition and Fee** revenue for Fiscal Year 2022 exceeds the approved budget by \$5.5M (4.2%) based on actual enrollments. Actuals are anticipated to exceed budget primarily due to the increase in graduate international student enrollment. As a cautionary note, the tuition and fee revenue for the current fiscal year is anticipated to be \$3.3M (2.4%) lower than FY21 actuals.

With one month remaining in the current fiscal year and forecasts for other revenue sources have been revised upwards incorporating information through May 31, 2022.

Anticipated **Interest Income** revenue is reported at actual year to date of \$1.6M. This revenue is not base budgeted as it cannot be relied on as a source of consistent income for operating expenditures.

Facilities and Administration revenues are on track to exceed budget by \$1M for the current fiscal year. The increase is attributed to higher than anticipated research activity. The estimated increase of \$0.9M to **Sales and Service** revenue relative to budget is attributed to increases in vending, housing, and athletic sponsorship income.

The **Other Revenues** category has been updated to include actual insurance proceeds received in May related to the Student Union fire.

Total revenues for FY 2022 are expected to be approximately \$12M (5.2%) above budget but \$5.3M (2.1%) below FY21 actuals.

FY2022 Expenses

Compensation has been revised downward by an additional \$3.8M since the last report. The cumulative impact of conservative budgeting, a tight labor market, and a disciplined hiring process is reflected in compensation anticipated to be \$14.4M below budget.

The net result of changes to revenue and expenditure forecasts is that the University is projecting a \$19.6M operating surplus for FY 2022.

Trend

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

Fiscal Year	2018	2019	2020	2021	2022
Enrollment ¹	17,108	15,558 -9.1%	13,744 -11.7%	12,234 -11.0%	11,469 -6.3%
Tuition and Fees	\$173.8M	\$163.4M -6.0%	\$150.2M -8.1%	\$138.8M -7.6%	\$135.5M -2.4%
Total Operating Revenues	\$288.2M	\$277.8M -3.6%	\$255.1M -8.2%	\$243.6M -4.5%	\$239.6M -2.1%
Total Operating Expenses	\$277.7M	\$259.8 -6.4%	\$252.9M -2.7%	\$200.2M -20.8%	\$220M 9.9%

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. It also provides the actual results for the same time period of the prior fiscal year as a percent of the actual annual results of the prior fiscal year.

Revenue

There is a percentage variance of note in **Facilities and Administration**. We continued to forecast conservatively in this category, anticipating a decline in federal aid spending. Federal aid spend did decline in the second half of the year however, this category has outperformed estimates with better than anticipated levels of research activity.

The **Other Revenues** category has been reforecast to account for insurance proceeds related to the Student Union fire, an increase in activity at the Nutter Center, and increases in anatomical gifts for the Boonshoft School of Medicine.

Expenses

Actual Expenses to date relative to annual budget for the current fiscal year are tracking favorably. Expenditures for the prior fiscal year were abnormally low as a result of relief funding covering certain COVID related expenses and lower expenses due to remote operations.

Compensation is tracking lower due to conservative budgeting and forecasting and a tight labor market combined with a disciplined hiring strategy.

Information and Communications is at 102% of the approved budget and tracking appropriately. The variance to last year is the result of a relative return to normal, from remote operations. There are increases in promotion and outreach in Enrollment Management and Marketing, increase in subscription spend in University Library and increased activity in athletics requiring audio/visual support.

¹ Census day Fall Headcount

The **Debt** category is higher than budget due to a 187K prepayment of Series 2011-B bonds and additional interest expenses of \$113K for a three-month period of debt overlap of Series 2012 refunded bonds and newly issued Series 2022 bonds.

Finally, the variance in **Other Expenses** is related to the difference in the actual year end amount for FY2021, where entries related to federal and state relief funds were recorded, compared to the budgeted spend for FY2022.

FY2021 to FY2022 Single Month Comparison #5

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

Facilities and Administration revenues in May 2021 were extraordinarily high when COVID related expenses were transitioned to federal aid grants, generating a large revenue recognition.

\$860k in insurance proceeds related to the Student Union fire created a variance for May in the **Other Revenues** category.

Sales and Service revenue is up by nearly \$500k as a result of athletics ticket sales and guarantees, increased activity at the Nutter Center, and parking permit revenue.

The **Compensation** variance is seen in the majority of the colleges and departments related to attrition, the tight labor market combined with a disciplined hiring strategy and conservative budgeting and forecasting.

The **Information and Communications** variance includes a timing difference in Marketing for The Ohlmann Group Inc; an invoice was paid one month early and will create a favorable variance in June. There is also a variance in University Libraries for OhioLink; an invoice was paid a month late and the correlating favorable variance is seen in April 2022.

The change in **Other Expenses** is related to entries from the prior fiscal year to record federal relief funds.

**FY2022 Financial Analysis
Unrestricted Funds Including Auxiliaries
Through May 31, 2022
(000's)**

Description	FY2021			FY2022		
	Annual Budget	Year End	To Date	Annual Budget	Actual To Date	Anticipated Year End
Revenues:						As of 5/31/2022
Tuition and Fees	\$ 125,835	\$ 138,763	\$ 138,675	\$ 129,993	\$ 135,633	\$ 135,500
State Appropriations	66,137	83,022	75,645	83,210	76,207	83,210
Facilities and Administrative	4,500	5,508	5,677	4,500	5,480	5,500
Sales and Service	9,685	4,514	4,039	7,553	7,665	7,900
Interest Income	39	10,226	9,634	-	1,647	1,647
Gifts and Contributions and Other Revenues	4,101	2,859	2,628	2,429	5,649	5,872
Operating Revenues	\$ 210,297	\$ 244,892	\$ 236,298	\$ 227,685	\$ 232,281	\$ 239,629
Expenses:						
Compensation	\$ 161,546	\$ 156,385	\$ 140,486	\$ 161,872	\$ 136,263	\$ 147,494
Contracted Labor/Professional Services	6,501	4,363	4,041	7,263	6,725	7,263
Supplies	7,100	2,994	2,871	4,325	4,056	4,325
Travel and Events	2,054	808	660	2,346	1,766	2,346
Information and Communications	6,928	5,739	5,328	6,850	6,953	7,058
Maintenance and Repairs and Utilities	13,971	11,761	10,684	13,770	12,071	13,770
Scholarships and Fellowships	28,038	24,917	24,715	26,101	23,788	23,854
Debt	8,103	9,224	8,102	7,794	7,987	7,794
Other Expenses	6,755	(15,943)	(9,359)	8,249	3,276	6,118
Operating Expenses	\$ 240,996	\$ 200,248	\$ 187,528	\$ 238,570	\$ 202,885	\$ 220,022
Reserves	\$ (30,699)			\$ (10,885)		\$ -
Total Expenses	\$ 210,297	\$ 200,248	\$ 187,528	\$ 227,685	\$ 202,885	\$ 220,022
Net	\$ -	\$ 44,644	\$ 48,770	\$ -	\$ 29,396	\$ 19,607

**FY2022 Anticipated Year End
Unrestricted Funds Including Auxiliaries
Through May 31, 2022
(000's)**

Description	Annual Budget	Anticipated Year End <i>Update</i>	Anticipated Year End <i>Update</i>	Anticipated Year End <i>Update</i>	Anticipated Year End <i>Update</i>	Anticipated Year End <i>Update</i>	Anticipated Year End <i>Update</i>	Anticipated Year End <i>Update</i>
	<u>7/1/2021</u>	<u>As of 7/31/2021</u>	<u>Through 12/31/2021</u>	<u>Through 3/31/2022</u>	<u>Through 5/31/2022</u>	<u>Through 5/31/2022</u>	<u>Through 5/31/2022</u>	<u>Through 5/31/2022</u>
Revenues:								
Tuition and Fees	\$129,993	\$129,993	\$131,993	2,000	\$135,500	3,507	\$135,500	5,507
State Appropriations	83,210	\$83,210	\$83,210		\$83,210		\$83,210	
Facilities and Administrative	4,500	\$4,500	\$4,500		\$4,500		\$5,500	1,000
Sales and Service	7,553	\$7,553	\$7,553		\$7,048	(505)	\$7,900	852
Interest Income	0	\$0	\$0		\$0	0	\$1,647	1,647
Gifts and Contributions and Other Revenues	2,429	\$2,429	\$2,429		\$4,525	2,096	\$5,872	1,347
Total Revenues	\$227,685	\$227,685	\$0	\$2,000	\$234,783	\$5,098	\$239,629	\$11,944
Expenses:								
Compensation	\$161,872	\$161,872	\$160,001	1,871	\$151,306	8,695	\$147,494	3,812
Contracted Labor/Professional Services	\$7,263	\$7,263	\$7,263		\$7,263		\$7,263	
Supplies	\$4,325	\$4,325	\$4,325		\$4,325		\$4,325	
Travel and Events	\$2,346	\$2,346	\$2,346		\$2,346		\$2,346	
Information and Communications	\$6,850	\$6,850	\$6,850		\$7,058	(208)	\$7,058	(208)
Maintenance and Repairs and Utilities	\$13,770	\$13,770	\$13,770		\$13,770		\$13,770	
Scholarships and Fellowships	\$26,101	\$26,101	\$26,101		\$23,854	2,247	\$23,854	2,247
Debt	\$7,794	\$7,794	\$7,794		\$7,794		\$7,794	
Other Expenses	\$8,249	\$8,249	\$8,249		\$6,118	2,131	\$6,118	2,131
Total Expenses	\$238,570	\$238,570	\$0	\$1,871	\$223,834	\$12,865	\$220,022	\$3,812
			0					
Reserves	(10,885)	(10,885)	(7,014)		0		0	
Net	\$0	\$0	\$0		\$10,949		\$19,607	

**FY2021 To FY2022 Actual Comparison
Unrestricted Funds Including Auxiliaries
Through May 31, 2022
(000's)**

Description	FY2021			FY2022		
	Year End	Actual To Date	% of Year End	Annual Budget	Actual To Date	% of Budget
Revenues:						
Tuition and Fees	\$ 138,763	\$ 138,675	100%	\$ 129,993	\$ 135,633	104%
State Appropriations	\$ 83,022	\$ 75,645	91%	83,210	76,207	92%
Facilities and Administrative	\$ 5,508	\$ 5,677	103%	4,500	5,480	122%
Sales and Service	\$ 4,514	\$ 4,039	89%	7,553	7,665	101%
Interest Income	\$ 10,226	\$ 9,634	94%	0	1,647	
Gifts and Contributions and Other Revenues	\$ 2,859	\$ 2,628	92%	2,429	5,649	233%
Total Revenues	\$ 244,892	\$ 236,298	96%	\$ 227,685	\$ 232,281	102%
Expenses:						
Compensation	\$ 156,385	\$ 140,486	90%	\$ 161,872	\$ 136,263	84%
Contracted Labor/Professional Services	\$ 4,363	\$ 4,041	93%	7,263	6,725	93%
Supplies	\$ 2,994	\$ 2,871	96%	4,325	4,056	94%
Travel and Events	\$ 808	\$ 660	82%	2,346	1,766	75%
Information and Communications	\$ 5,739	\$ 5,328	93%	6,850	6,953	102%
Maintenance and Repairs and Utilities	\$ 11,761	\$ 10,684	91%	13,770	12,071	88%
Scholarships and Fellowships	\$ 24,917	\$ 24,715	99%	26,101	23,788	91%
Debt	\$ 9,224	\$ 8,102	88%	7,794	7,987	102%
Other Expenses	\$ (15,943)	\$ (9,359)	59%	8,249	3,276	40%
Operating Expenses	\$ 200,248	\$ 187,528	94%	\$ 238,570	\$ 202,885	85%
Reserves				(10,885)		
Total Expenses	200,248	187,528	94%	227,685	202,885	89%
Net	\$ 44,644	\$ 48,770		\$ -	\$ 29,396	

**FY2021 to FY2022 Single Month Comparison
Unrestricted Funds Including Auxiliaries
For the Month of May 2022
(000's)**

Description	Variance			
	FY21 May Actual	FY22 May Actual	%	\$
Revenues:				
Tuition and Fees	\$ -	\$ -		
State Appropriations	7,377	6,928	94%	(449)
Facilities and Administrative	1,756	799	46%	(957)
Sales and Service	145	553	381%	408
Interest Income	60	246		186
Gifts and Contributions and Other Revenues	263	1,083	412%	820
Total Revenues	\$ 9,601	\$ 9,609	100%	\$ 8
Expenses:				
Compensation	\$ 12,304	\$ 11,456	93%	\$ 848
Contracted Labor/Professional Services	408	489	120%	(81)
Supplies	355	1,032	291%	(677)
Travel and Events	115	259	225%	(144)
Information and Communications	115	711	618%	(596)
Maintenance and Repairs and Utilities	774	1,001	129%	(227)
Scholarships and Fellowships	-	-		
Debt	-	-		
Other Expenses	(3,216)	1,066	33%	(4,282)
Total Expenses	\$ 10,855	\$ 16,014	148%	\$ (5,159)
Net	\$ (1,254)	\$ (6,405)	511%	\$ (5,151)