UNTS Board of Regents

FY 2022 Q3 Financial Highlights

Greg Anderson, Deputy Chancellor for Finance & Ops.
August 11, 2022
FY 2022 Q3 Performance: UNTS Consolidated

- **Net contribution to fund balances higher than plan**
  - Higher than budget by $89m; higher than 2021 actuals by $26m

- **Revenues higher than planned**
  - Tuition/Fees higher than plan by $28m/8% due to increased enrollment
  - Grants and Contracts higher than plan by $43m/27% due to timing of COVID relief funding

- **Expenses and Transfers higher than planned by $9m/1%**
  - Above plan due to return to campus; mostly driven by maintenance/operations
FY 2022 UNTS End of year financial estimates ($m)

• Projected Revenue:
  • FY22 Revenue projecting higher than FY21 by $89m; higher than budget plan by $104m;
  • Tuition & Fees projecting higher than FY21 by $47m due to increased student enrollment;
  • Sales of goods projecting $22m higher than FY21 due to full reopening of campuses;
  • Grants and Contracts lower than prior year by $27m because a majority of COVID relief funding was recognized in FY21.

• Projected Expenses:
  – FY22 Expenses projecting higher than FY21 by $87m; higher than budget plan by $22m;
  – Payroll costs projecting higher than prior year by $36m due to increased enrollment support, faculty & auxiliary enterprises;
  – Maintenance & Operations higher than FY21 by $37m due to planned reopening costs;
  – Scholarships & Aid projecting $16m lower compared to prior year due to less COVID relief funding in FY22.

*Note: These are the main drivers, and do not total
FY 2022 Statement of Net Position (Assets, Liabilities & Net Position)

**Net Position increased by $85m (6.5%)**

**Assets & Deferred Outflows: increased $152m (6.4%)**
- Cash – $83m
- Accounts Receivable – $23m
- Investments – $14m
- Capital Assets (GASB 87) – $24m

**Liabilities & Deferred Inflows: increased $67m (6.3%)**
- Notes & Loans (decrease) – ($57m)
- Bonded Debt – $62m
- Deferred Inflows (GASB 87) – $19m
## FY 2022 Statement of Revenues, Expenses & Changes in Net Position

**Net Position increased by $85m (6.5%)**

**Operating Revenues increased by $77m (13.5%)**
- Tuition – $45m
- Auxiliary Revenue – $20m

**Operating Expenses increased by $95m (11.8%)**
- Salary & Benefits – $21m
- Scholarships – $14m
- Professional Fee Expense – $15m
- Auxiliary Expenses – $14m

**Non-operating Revenues decreased by ($58m) (14.4%)**
- Appropriations (decrease) – ($8m)
- Federal Revenue (HEERF) – $33m
- FMV of Investments (decrease) – ($96m)

### UNAUDITED
Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Nine Months Ended May 31, 2022 and 2021
(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>May 31, 2022</th>
<th>May 31, 2021</th>
<th>% Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$ 646,865</td>
<td>$ 570,164</td>
<td>13.5%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>898,900</td>
<td>803,994</td>
<td>11.8%</td>
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<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>($252,035)</td>
<td>($233,830)</td>
<td>7.8%</td>
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<tr>
<td>Nonoperating Revenues (Expenses)</td>
<td>346,650</td>
<td>404,963</td>
<td>(14.4%)</td>
</tr>
<tr>
<td>Income (Loss) Before Other Revenues, Expenses and Transfers</td>
<td>$ 94,615</td>
<td>$ 171,133</td>
<td>(44.7%)</td>
</tr>
<tr>
<td>Other Revenues, Expenses and Transfers</td>
<td>59,196</td>
<td>51,576</td>
<td>14.8%</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>$ 153,811</td>
<td>$ 222,709</td>
<td>(30.9%)</td>
</tr>
<tr>
<td>Net Position, September 1</td>
<td>$ 1,247,854</td>
<td>$ 1,093,358</td>
<td>14.1%</td>
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<tr>
<td>Restatement</td>
<td>(462)</td>
<td>-</td>
<td>0.0%</td>
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<tr>
<td>Restated Net Position, September 1</td>
<td>1,247,392</td>
<td>1,093,358</td>
<td>14.1%</td>
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<tr>
<td><strong>Net Position, May 31</strong></td>
<td>$ 1,401,203</td>
<td>$ 1,316,067</td>
<td>6.5%</td>
</tr>
</tbody>
</table>
FY 2022 Q3 Cash Highlights

Highlights:

• Higher enrollments led to higher than anticipated tuition and fee revenues
• Sufficient reserve balances maintained
• Overall, improved operating liquidity over FY21

![Graph showing UNTS Short Term Pool YoY Balances]

- May-22: $167
- May-21: $127
- YoY $ Change: $40 (32% increase)
FY 2022 Q3 Cash Highlights – Cont.

Note: FY22 HSC balance reflects $50m less due to transfers to long-term investments
Q3 FY 22 financials sustained a positive liquidity position for start of the fiscal year
• Self-liquidity target of $100m = 2x CP
• Operating liquidity target $53m coverage of monthly PR and 5 days of AP

Days Cash on Hand

<table>
<thead>
<tr>
<th>8/31/2021</th>
<th>11/30/2021</th>
<th>2/28/2022</th>
<th>5/31/2022</th>
<th>8/31/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>226</td>
<td>183</td>
<td>223</td>
<td>190</td>
<td>227</td>
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</tbody>
</table>

Benchmark – 169 days
Questions