

# University of Southern Indiana 2019 Financial Report

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# Agenda

- 2019 audit opinion
- 2019 financial statements
- 2019 summary
- 2020 outlook
- Questions

# Condensed Statement of Net Position

Year Ended June 30 (in thousands)	2019	2018	2017
Current Assets	89,367	73,714	60,439
Noncurrent Assets:			
Capital assets, net of depreciation	209,995	195,979	180,762
Other non-current	63,402	49,958	64,197
<b>Total Assets</b>	<b>\$ 362,764</b>	<b>\$ 319,651</b>	<b>\$ 305,398</b>
Hedging Derivative Instruments	723	700	1,215
Deferred Outflow of Resources Related to Pensions	1,122	2,452	3,406
Deferred Outflow of Resources Related to OPEB	684	993	-
<b>Total Deferred Outflow of Resources</b>	<b>\$ 2,530</b>	<b>\$ 4,145</b>	<b>\$ 4,621</b>
Current Liabilities	25,938	19,954	19,661
Noncurrent Liabilities	140,380	118,212	119,170
<b>Total Liabilities</b>	<b>\$ 166,319</b>	<b>\$ 138,166</b>	<b>\$ 138,831</b>
Deferred Inflow of Resources Related to Pensions	1,162	838	1,131
Deferred Inflow of Resources Related to OPEB	3,922	2,062	-
<b>Total Deferred Inflow of Resources</b>	<b>\$ 5,084</b>	<b>\$ 2,900</b>	<b>\$ 1,131</b>
Net Position:			
Net investment in capital assets	122,743	105,308	81,770
Restricted--expendable	101	4,632	6,825
Unrestricted	71,048	72,790	81,462
<b>Total Net Position</b>	<b>\$ 193,892</b>	<b>\$ 182,730</b>	<b>\$ 170,057</b>

# Assets and Deferred Outflows

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 22,182,515	\$ 17,561,947
Short-term investments	21,301,748	34,219,423
Accounts receivable, net	8,619,684	10,713,442
Due from the State of Indiana	-	3,336,727
Inventories	1,860,995	1,332,283
Deposits with bond trustee	33,118,401	3,535,159
Other current assets	2,284,092	3,014,833
Total current assets	<u>\$ 89,367,435</u>	<u>\$ 73,713,814</u>
<b>Noncurrent Assets</b>		
Long-term investments	\$ 63,308,763	\$ 49,838,857
Deposits with bond trustee	92,790	119,826
Capital assets, net	209,995,021	195,978,954
Total noncurrent assets	<u>\$ 273,396,574</u>	<u>\$ 245,937,637</u>
<b>Total Assets</b>	<b>\$ 362,764,009</b>	<b>\$ 319,651,451</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Hedging derivative instruments	\$ 723,332	\$ 699,804
Deferred outflow of resources related to pensions	1,122,246	2,452,556
Deferred outflow of resources related to OPEB	684,494	992,854
Total deferred outflow of resources	<u>\$ 2,530,072</u>	<u>\$ 4,145,214</u>

# Liabilities and Deferred Inflows

<b>LIABILITIES</b>	<b>2019</b>	<b>2018</b>
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,505,078	\$ 2,215,595
Accrued payroll, benefits, and deductions	6,881,673	5,660,260
Bonds and leases payable	11,776,729	9,053,420
Debt interest payable	973,164	647,502
Unearned revenue	2,328,205	1,859,044
Other current liabilities	473,461	518,243
Total current liabilities	\$ 25,938,310	\$ 19,954,064
<b>Noncurrent Liabilities</b>		
Bonds and leases payable	\$ 107,929,535	\$ 81,288,294
Derivative instruments--interest rate swap	723,332	699,804
Other postemployment benefits	23,407,069	26,045,725
Compensated absences and termination benefits	3,026,196	3,036,111
Net pension liability	5,289,879	7,135,346
Other noncurrent liabilities	4,370	6,181
Total noncurrent liabilities	\$ 140,380,381	\$ 118,211,461
<b>Total Liabilities</b>	<b>\$ 166,318,691</b>	<b>\$ 138,165,525</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred inflow of resources related to pensions	\$ 1,162,041	\$ 838,474
Deferred inflow of resources related to OPEB	3,921,819	2,062,209
Total deferred inflow of resources	\$ 5,083,860	\$ 2,900,683

# Net Position

<b>NET POSITION</b>	<b>2019</b>	<b>2018</b>
Net investment in capital assets	\$ 122,742,844	\$ 105,308,076
Restricted		
Expendable		
Capital Project	-	4,509,133
Debt Service	92,790	107,802
Scholarship, research, and other	8,279	14,978
Unrestricted	71,047,617	72,790,468
<b>Total Net Position</b>	<b>\$ 193,891,530</b>	<b>\$ 182,730,457</b>

# Condensed Statement of Cash Flows

## CONDENSED STATEMENT OF CASH FLOWS

Year Ended June 30 (in thousands of dollars)

Net Cash Provided (Used) By

	2019	2018	2017
Operating activities	\$ (61,594)	\$ (64,096)	\$ (62,078)
Noncapital financing activities	87,727	84,080	79,410
Capital financing activities	(23,767)	(21,142)	(19,170)
Investing activities	2,255	1,078	(7,322)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 4,621</b>	<b>\$ (80)</b>	<b>\$ (9,160)</b>

# Condensed Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30 (in thousands)	2019	2018	2017
Operating Revenues	82,435	79,755	78,542
Operating Expenses	(160,454)	(158,004)	(156,333)
<b>Operating Loss</b>	<b>\$ (78,019)</b>	<b>\$ (78,249)</b>	<b>\$ (77,791)</b>
Non-operating Revenues	91,191	84,662	80,288
Non-operating Expenses	(3,394)	(2,793)	(3,496)
<b>Income before other revenues, expenses, gains or losses</b>	<b>\$ 9,778</b>	<b>\$ 3,620</b>	<b>\$ (999)</b>
Other Revenues	1,383	18,477	7,678
<b>Increase in Net Position</b>	<b>\$ 11,161</b>	<b>\$ 22,097</b>	<b>\$ 6,679</b>
Net Position--Beginning of Year	182,730	200,571	193,892
Prior-period Adjustment for Change in Accounting Principle	-	(9,424)	-
<b>Net Position--End of Year</b>	<b>\$ 193,892</b>	<b>\$ 213,244</b>	<b>\$ 200,571</b>



# Operating Revenues and Expenses

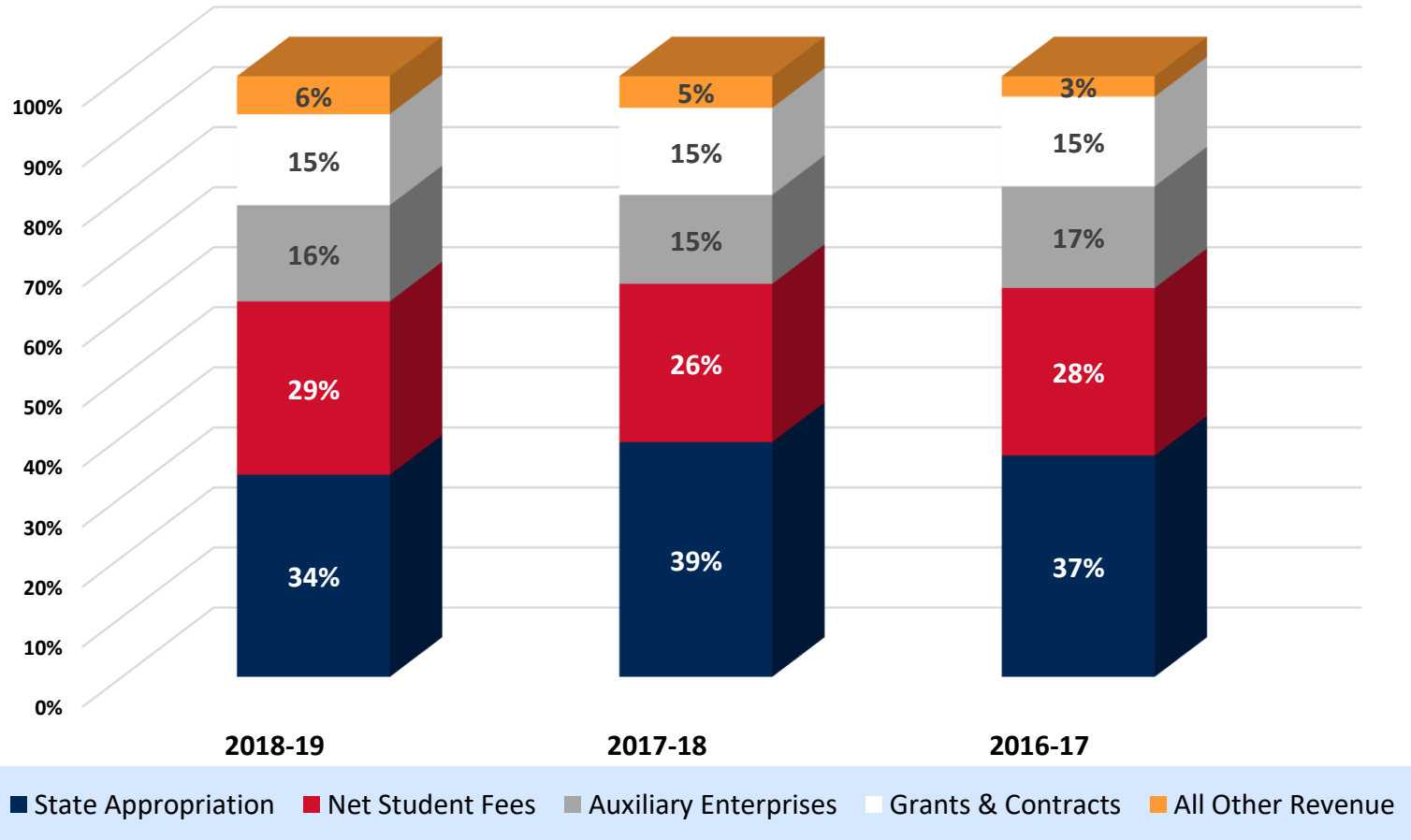
<b>REVENUES</b>	<b>2019</b>	<b>2018</b>
<b>Operating Revenues</b>		
Student fees	\$ 80,198,567	\$ 75,943,536
Scholarship discounts and allowances	(29,238,866)	(27,788,090)
Grants and contracts	1,554,760	1,619,316
Auxiliary enterprises	28,270,256	28,310,566
Room and board discounts and allowances	(1,497,390)	(1,184,605)
Other operating revenues	3,147,174	2,854,146
Total operating revenues	\$ 82,434,501	\$ 79,754,869
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Salaries and wages	\$ 64,512,721	\$ 64,108,731
Benefits	24,190,158	24,548,827
Student financial aid	8,832,202	8,680,395
Utilities	5,410,259	5,293,901
Supplies and other services	44,229,338	42,055,964
Depreciation	13,279,216	13,315,767
Total operating expenses	\$ 160,453,894	\$ 158,003,585
Operating loss	\$ (78,019,393)	\$ (78,248,716)

# Other Revenues and Expenses

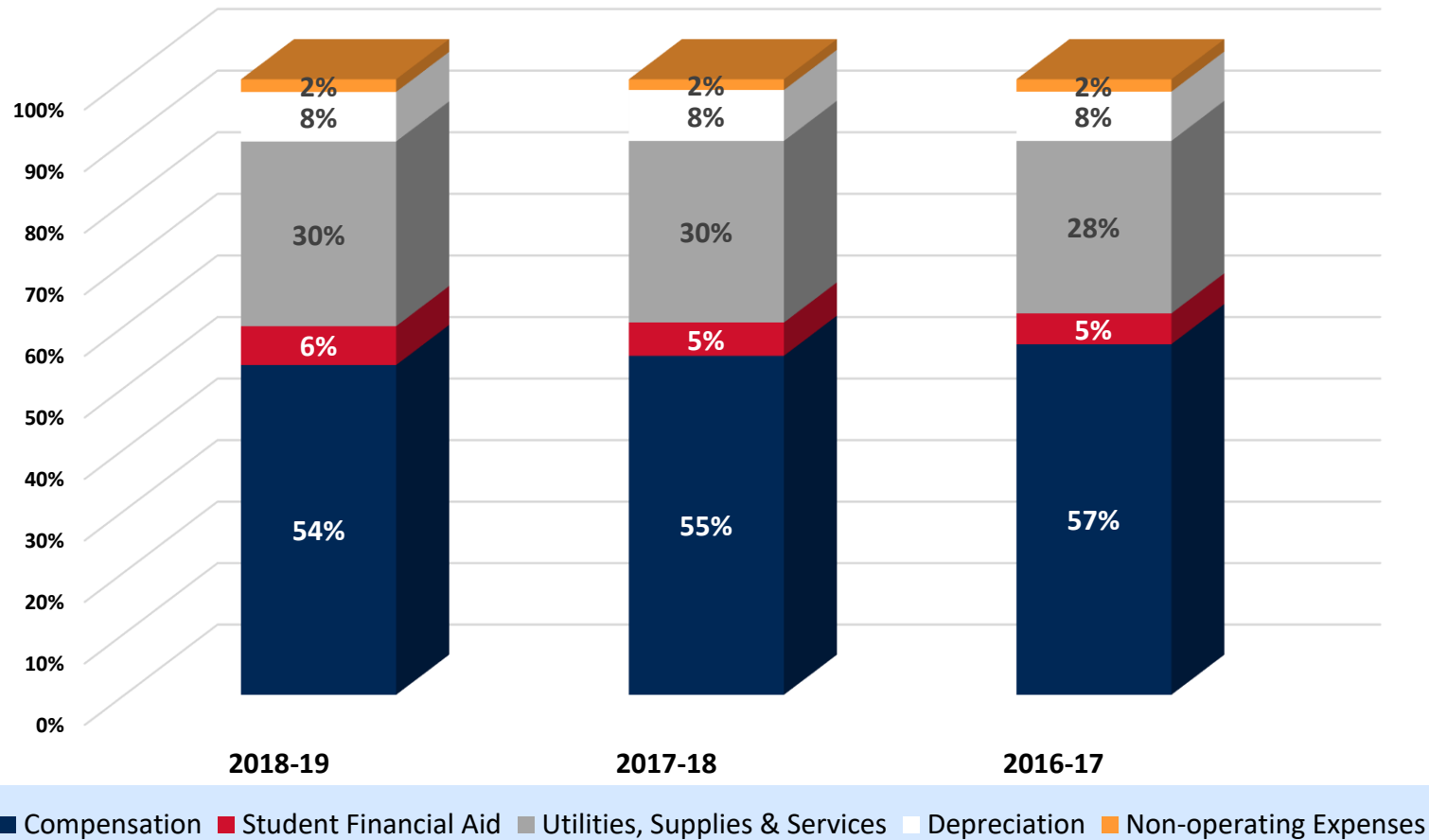
## NON-OPERATING REVENUES (EXPENSES)

	2019	2018
State appropriations	\$ 58,552,040	\$ 55,118,066
Gifts	4,658,977	3,942,298
Federal grants and contracts	13,378,467	12,964,254
State/Local grants and contracts	11,193,987	11,070,063
Nongovernmental grants and contracts	711,577	886,680
Investment income (net of investment expense of \$68,211 and \$67,109 for 2019 and 2018)	2,696,153	680,707
Interest on capital asset related debt	(3,041,154)	(2,744,441)
Bond issuance costs	(316,190)	(5,000)
Other non-operating revenues/(expenses)	(36,197)	(43,777)
Net non-operating revenues (expenses)	\$ 87,797,660	\$ 81,868,850
Income before other revenues, expenses, gains or losses	\$ 9,778,267	\$ 3,620,134
Capital appropriations	\$ 931,336	\$ 16,425,545
Capital grants and gifts	451,470	2,051,000
Total other revenues	\$ 1,382,806	\$ 18,476,545
Increase in net position	\$ 11,161,073	\$ 22,096,679

# Total Revenues by Source



# Total Expenses by Type



# Condensed Functional Operating Expenses

Year Ended June 30 (in thousands)	2019	2018	2017
Instruction	47,854	47,880	46,185
Academic Support	12,695	12,536	13,068
Student Services	12,511	10,923	10,832
Institutional Support	20,091	19,378	19,038
Operation and Maintenance of Plant	18,614	17,205	15,625
Depreciation	13,279	13,316	13,579
Student Aid	8,832	8,680	7,519
Public Service	2,530	2,855	3,232
Research	277	221	267
Auxiliary Enterprises	23,771	25,010	26,988
<b>TOTAL</b>	<b>\$ 160,454</b>	<b>\$ 158,004</b>	<b>\$ 156,333</b>

# 2019 Financial Summary

- Total assets increased \$43.1 million (13.5%)
- Total deferred outflows of resources decreased \$1.6 million (39%)
- Total liabilities increased \$28.2 million (20.4%)
- Total deferred inflows of resources increased \$2.2 million (75.3%)
- Total revenues decreased \$7.9 million (4.3%)
- Total expenses increased \$3.1 million (1.9%)
- **Net position increased \$11.2 million (6.1%)**

# 2020 Financial Outlook

- Operating appropriation increase of \$975,556
- Strong graduate enrollment
- Undergraduate enrollment, discounting, and uncollectible trends
  - Effects on auxiliary revenues
  - First full year of Financial Care Team operation
  - First full year of Student Financial Success Center operation
- Continued growth of capital assets
- Bond Series J paid in full
- \$48 million bond issue for Health Professions Center renovation and expansion