

University of Southern Indiana 2020 Financial Report

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Agenda

- 2020 audit opinion
- 2020 financial statements
- 2020 summary
- 2021 outlook
- Questions

CONDENSED STATEMENT OF NET POSITION

Year Ended June 30 (in thousands)	2020	2019	2018
Current Assets	113,122	89,367	73,714
Noncurrent Assets:			
Capital assets, net of depreciation	214,636	209,995	195,979
Other non-current	34,011	63,402	49,958
Total Assets	\$ 361,769	\$ 362,764	\$ 319,651
Hedging Derivative Instruments	716	723	700
Deferred Outflow of Resources Related to Pensions	883	1,122	2,452
Deferred Outflow of Resources Related to OPEB	510	685	993
Total Deferred Outflow of Resources	\$ 2,109	\$ 2,530	\$ 4,145
Current Liabilities	28,853	25,938	19,954
Noncurrent Liabilities	121,517	140,380	118,212
Total Liabilities	\$ 150,370	\$ 166,318	\$ 138,166
Deferred Inflow of Resources Related to Pensions	1,180	1,162	838
Deferred Inflow of Resources Related to OPEB	7,228	3,922	2,062
Total Deferred Inflow of Resources	\$ 8,408	\$ 5,084	\$ 2,900
Net Position:			
Net investment in capital assets	122,917	122,743	105,308
Restricted--expendable	122	101	4,632
Unrestricted	82,061	71,048	72,790
Total Net Position	\$ 205,100	\$ 193,892	\$ 182,730

ASSETS**2020****2019****Current Assets**

Cash and cash equivalents	\$ 55,105,307	\$ 22,182,515
Short-term investments	29,656,004	21,301,748
Accounts receivable, net	7,041,981	8,619,684
Inventories	1,567,141	1,860,995
Deposits with bond trustee	17,180,846	33,118,401
Other current assets	2,570,800	2,284,092
Total current assets	<u>\$ 113,122,079</u>	<u>\$ 89,367,435</u>

Noncurrent Assets

Long-term investments	\$ 33,909,011	\$ 63,308,763
Deposits with bond trustee	102,131	92,790
Capital assets, net	214,636,340	209,995,021
Total noncurrent assets	<u>\$ 248,647,482</u>	<u>\$ 273,396,574</u>
Total Assets	\$ 361,769,561	\$ 362,764,009

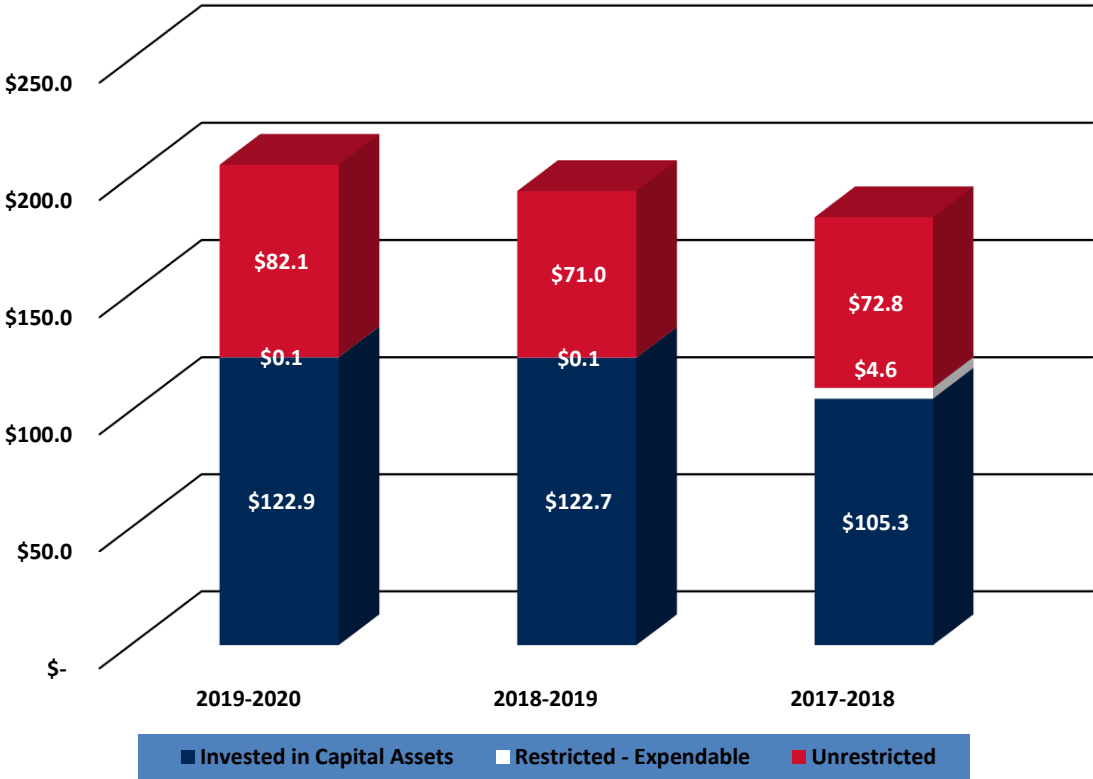
LIABILITIES**Current Liabilities**

	2020	2019
Accounts payable and accrued liabilities	\$ 2,701,233	\$ 3,505,078
Accrued payroll, benefits, and deductions	6,997,711	6,881,673
Bonds and leases payable	13,309,999	11,776,729
Debt interest payable	881,335	973,164
Unearned revenue	4,471,610	2,328,205
Other current liabilities	490,901	473,461
Total current liabilities	<u>\$ 28,852,789</u>	<u>\$ 25,938,310</u>

Noncurrent Liabilities

Bonds and leases payable	\$ 95,217,650	\$ 107,929,535
Derivative instruments--interest rate swap	715,836	723,332
Other postemployment benefits	17,291,193	23,407,069
Compensated absences and termination benefits	3,277,277	3,026,196
Net pension liability	5,008,824	5,289,879
Other noncurrent liabilities	6,712	4,370
Total noncurrent liabilities	<u>\$ 121,517,492</u>	<u>\$ 140,380,381</u>
Total Liabilities	<u>\$ 150,370,281</u>	<u>\$ 166,318,691</u>

ANALYSIS OF NET POSITION (in millions)



**CONDENSED STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION**

Year Ended June 30 (in thousands)

	2020	2019	2018
Operating Revenues	76,452	82,435	79,755
Operating Expenses	(155,083)	(160,454)	(158,004)
Operating Loss	\$ (78,631)	\$ (78,019)	\$ (78,249)
Non-operating Revenues	92,349	91,192	84,662
Non-operating Expenses	(3,687)	(3,394)	(2,793)
Income before other revenues, expenses, gains or losses	\$ 10,031	\$ 9,779	\$ 3,620
Other Revenues	1,177	1,383	18,477
Increase in Net Position	\$ 11,208	\$ 11,162	\$ 22,097
Net Position--Beginning of Year	193,892	182,730	170,057
Prior-period Adjustment for Change in Accounting Principle	-	-	(9,424)
Net Position--End of Year	\$ 205,100	\$ 193,892	\$ 182,730

REVENUES**Operating Revenues**

	2020	2019
Student fees	\$ 79,731,906	\$ 80,198,567
Scholarship discounts and allowances	(28,154,751)	(29,238,866)
Grants and contracts	1,786,572	1,554,760
Auxiliary enterprises	22,098,071	28,270,256
Room and board discounts and allowances	(1,533,270)	(1,497,390)
Other operating revenues	2,523,433	3,147,174
Total operating revenues	<u>\$ 76,451,961</u>	<u>\$ 82,434,501</u>

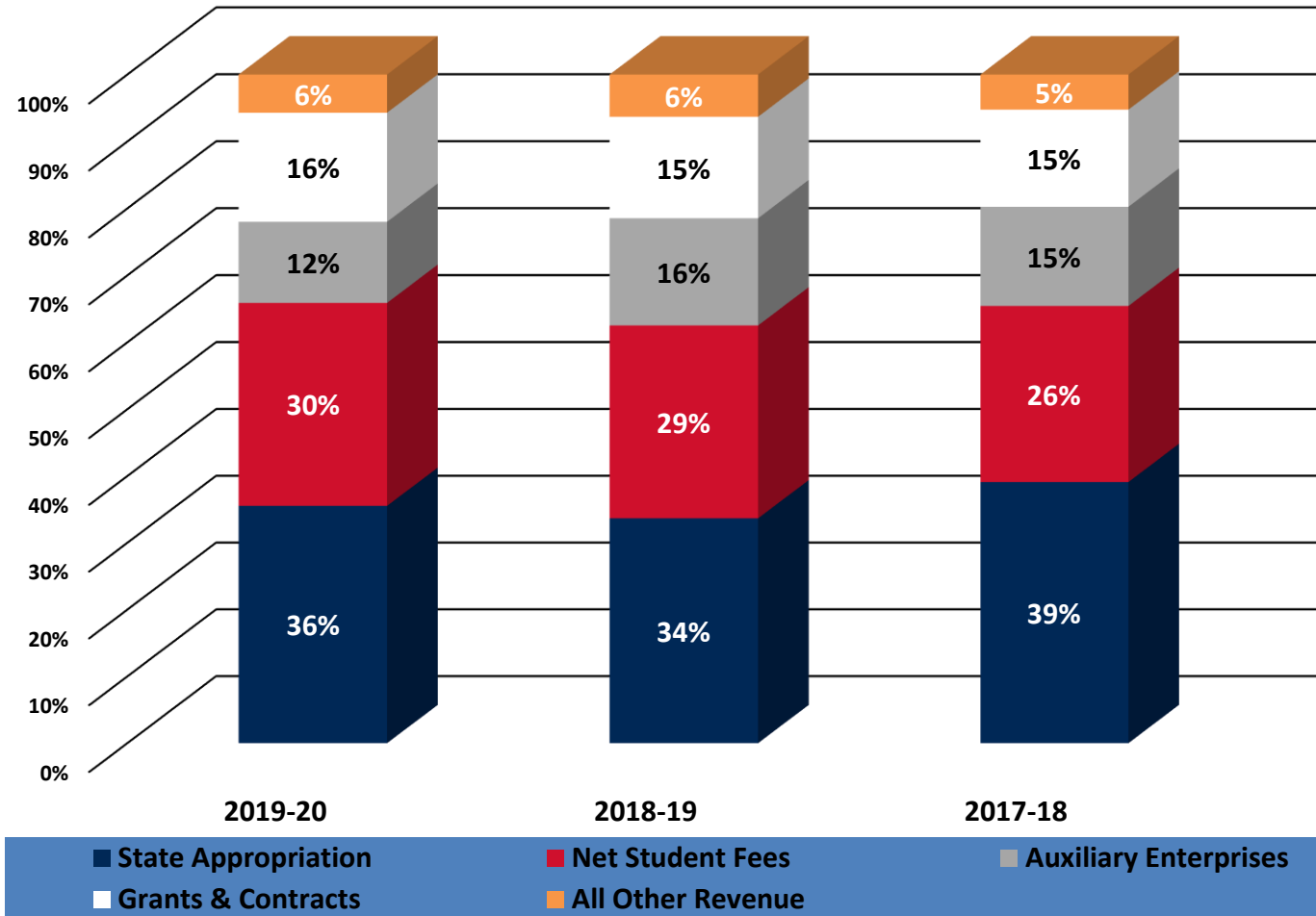
EXPENSES**Operating Expenses**

Salaries and wages	\$ 63,366,007	\$ 64,512,721
Benefits	22,411,937	24,190,158
Student financial aid	11,234,090	8,832,202
Utilities	5,020,249	5,410,259
Supplies and other services	37,749,806	44,229,338
Depreciation	15,300,728	13,279,216
Total operating expenses	<u>\$ 155,082,817</u>	<u>\$ 160,453,894</u>
Operating loss	<u>\$ (78,630,856)</u>	<u>\$ (78,019,393)</u>

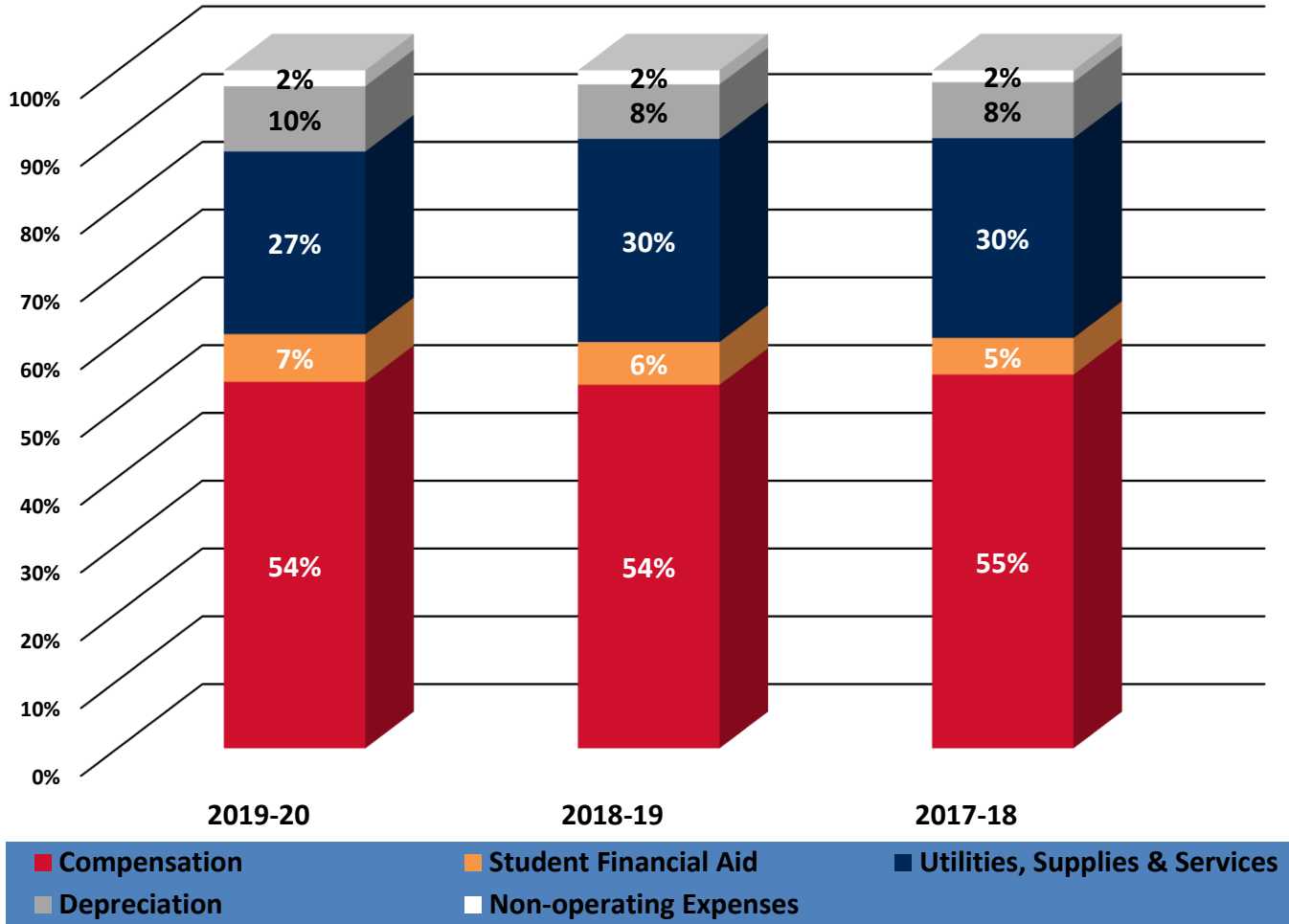
NON-OPERATING REVENUES (EXPENSES)

	2020	2019
State appropriations	\$ 59,250,228	\$ 58,552,040
Gifts	4,090,516	4,658,977
Federal grants and contracts	15,586,265	13,378,467
State/Local grants and contracts	10,161,130	11,193,987
Nongovernmental grants and contracts	185,047	711,577
Investment income (net of investment expense of \$70,761 and \$68,211 for 2020 and 2019)	3,075,926	2,696,153
Interest on capital asset related debt	(3,657,840)	(3,041,154)
Bond issuance costs	(2,007)	(316,190)
Other non-operating revenues/(expenses)	(27,650)	(36,197)
Net non-operating revenues (expenses)	\$ 88,661,615	\$ 87,797,660
Income before other revenues, expenses, gains or losses	\$ 10,030,759	\$ 9,778,267
Capital appropriations	\$ 1,112,962	\$ 931,336
Capital grants and gifts	64,614	451,470
Total other revenues	\$ 1,177,576	\$ 1,382,806

Revenue Sources



Expense Purposes



2020 Financial Summary

- Total assets decreased \$995,000 (.3%)
- Total deferred outflows of resources decreased \$421,000 (16.7%)
- Total liabilities decreased \$15.9 million (9.6%)
- Total deferred inflows of resources increased \$3.3 million (65.4%)
- Total revenues decreased \$5 million (2.9%)
- Total expenses decreased \$5.1 million (3.1%)
- **Net position increased \$11.2 million (5.8%)**

2021 Financial Outlook

- Short-term and long-term effects of COVID-19
- State operating appropriation reduction of \$3.4 million
- Continued strong graduate enrollment
- Undergraduate enrollment, discounting, and uncollectible trends
- \$48 million Series N bond issue for Health Professions Center renovation and expansion
- Auxiliary revenues
 - Housing occupancy
 - Meal plans
 - Campus Store management change
- \$2.9 million institutional portion of CARES Act funds