



FY 2018 Annual Financial Report Highlights

Financial Area Representatives Meeting
March 27, 2019

Sheri Hardison, Associate VP Financial Affairs & Controller

UTSA. Financial Affairs

FY 2018 Significant Matters

- Annual Operating Margin Ratio was 1.3% surplus vs. (1.3%) deficit in FY2017
- Operating activity included the following strategic investments:
 - Strategic enrollment planning
 - Student success planning
 - New Integrated Resource Management budget model
 - Increased summer session funding to boost enrollment
 - Increased institutional financial aid
 - New Gold Star faculty positions
 - Additional faculty start-up funding
 - Increased Ph.D. student assistance
 - Began campus master planning process

Statement of Revenue, Expenses and Changes in Net Position (SRECNP)

(\$ In Millions)

SUMMARY	FY 2018	FY 2017	Variance	% Change
Total Operating Revenue	\$ 343.3	\$ 325.0	\$ 18.3	5.6%
Total Operating Expenses	539.8	522.8	17.0	3.3%
Operating Income (Loss)	(196.5)	(197.8)	1.3	-0.7%
Net Non-Operating Revenue (Expenses)	229.9	222.5	7.4	3.3%
Income Before Other Revenue, Expenses, Gains/(Losses) and Transfers	33.4	24.7	8.7	35.2%
Other Revenue, Expenses, Gains/(Losses) and Transfers	(16.0)	9.9	(25.9)	-261.6%
Change in Net Position	17.4	34.6	(17.2)	-49.7%
Net Position, Beginning of Year	1,125.7	1,091.3	34.4	3.2%
Restatements	-	(0.2)	0.2	-100.0%
Net Position, End of Year	\$ 1,143.1	\$ 1,125.7	\$ 17.4	1.5%

- Operating loss does not include state appropriations or Pell grant revenue
- Non-operating activity includes appropriations, Pell revenue and investment activity
- Other activity is primarily transfers with UT System and other state agencies, including all debt activity
- Net position increased by \$17.4MM in FY 2018

SRECNP – Operating Revenue

(\$ In Millions)

	FY 2018	FY 2017	FY18 vs FY17	
			Variance	% Change
Operating Revenue				
Student Tuition and Fees, Net of Discounts	\$ 204.8	\$ 190.5	\$ 14.30	7.5%
Sponsored Programs	74.9	74.6	0.3	0.4%
Other	63.6	59.9	3.7	6.2%
Total Operating Revenues	\$ 343.3	\$ 325.0	\$ 18.3	5.6%

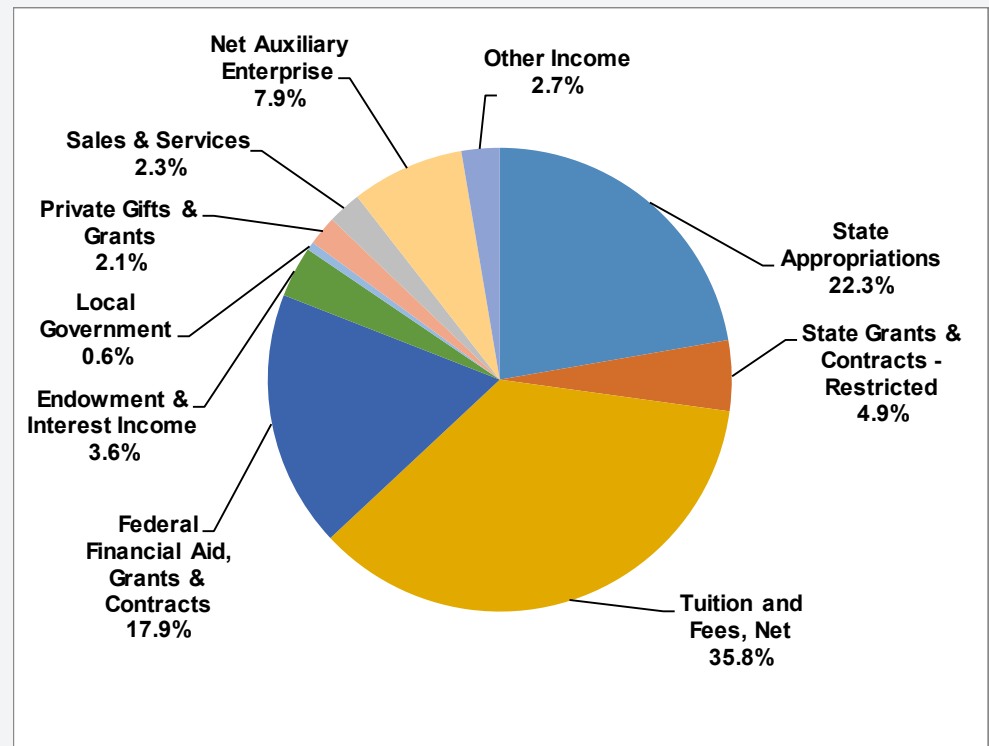
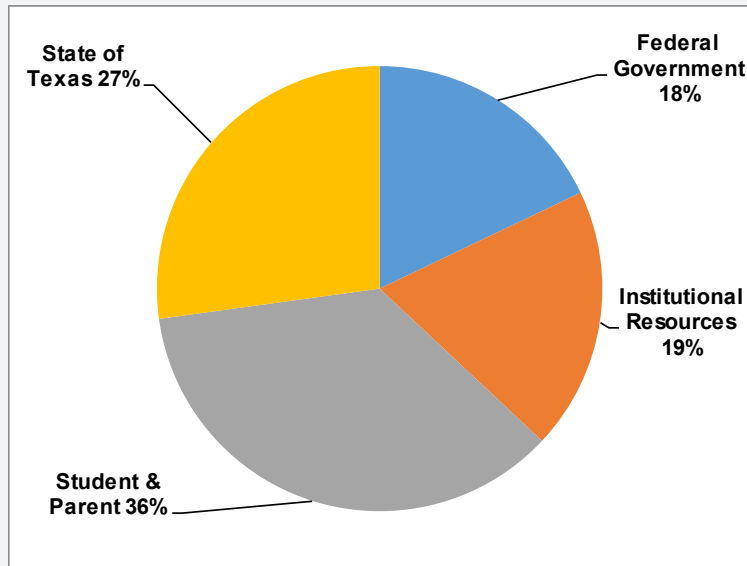
- **Net Tuition and Fees** increased \$14.3MM
 - Gross tuition and fees increased \$26.5MM, but offsetting discounts and allowances also increased \$12.2MM
 - Gross increase includes an increase of \$2.9MM for exemptions (primarily Hazlewood)
 - \$2.5MM of increase was from one more Fall 2018 class day falling in the closed fiscal year than in FY2017
 - Student credit hours were 35,364 higher than the prior year
- Other operating revenue increase primarily due to \$2.2MM increase in auxiliary enterprise revenue from housing and food services.

SRECNP – Operating Expenses

(\$ In Millions)

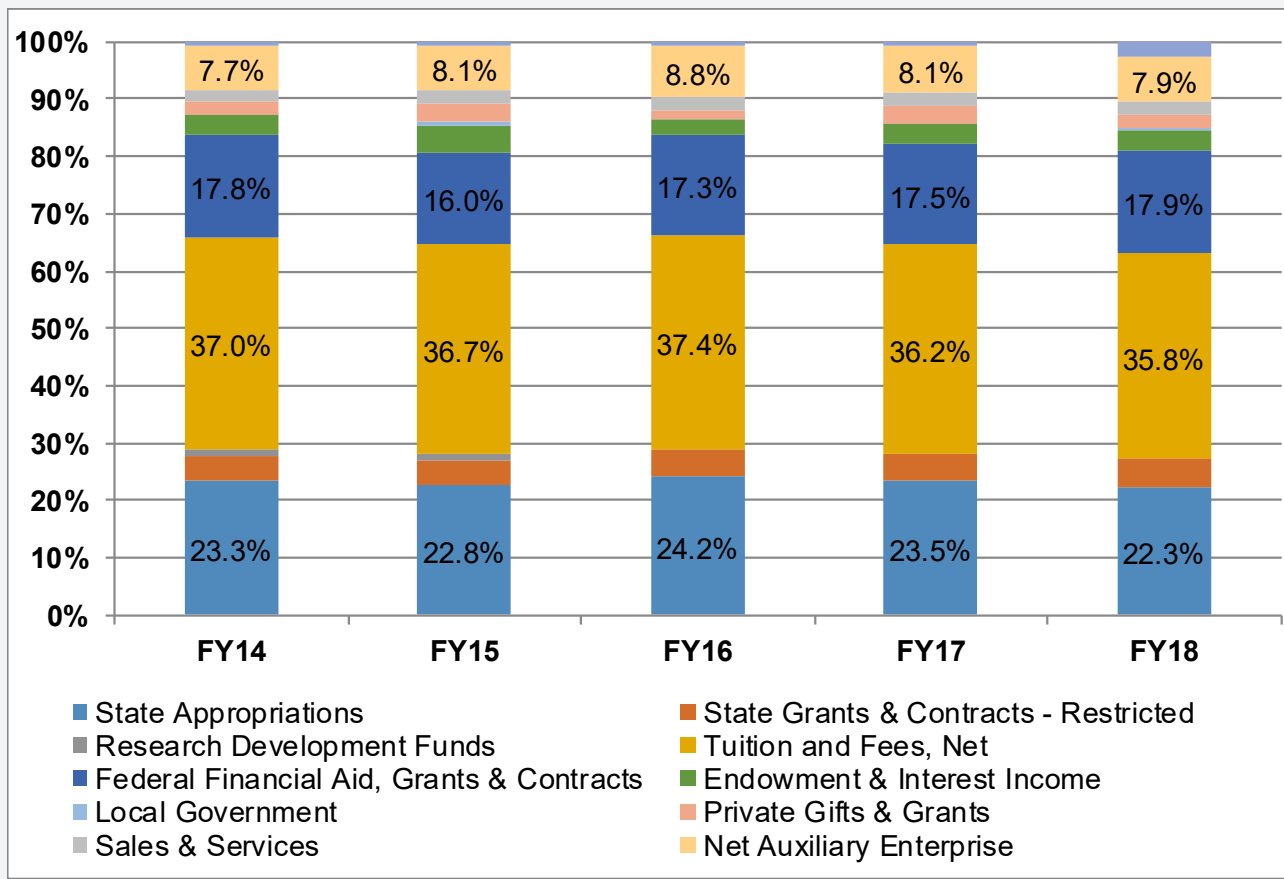
Operating Expenses	FY 2018	FY 2017	Variance	% Change
Instruction	\$ 139.1	\$ 135.1	\$ 4.0	3.0%
Research	57.0	56.2	0.8	1.4%
Public Service	15.7	19.6	(3.9)	-19.9%
Academic Support	57.9	55.7	2.2	3.9%
Student Services	28.5	28.2	0.3	1.1%
Institutional Support	42.1	39.0	3.1	7.9%
Operations & Maintenance of Plant	42.1	43.4	(1.3)	-3.0%
Scholarships & Fellowships	48.1	41.6	6.5	15.6%
Auxiliary Enterprises	60.1	55.7	4.4	7.9%
Depreciation and Amortization	49.2	48.3	0.9	1.9%
Total Operating Expenses	\$ 539.8	\$ 522.8	\$ 17.0	3.3%

FY 2018 Sources of Operating Revenue

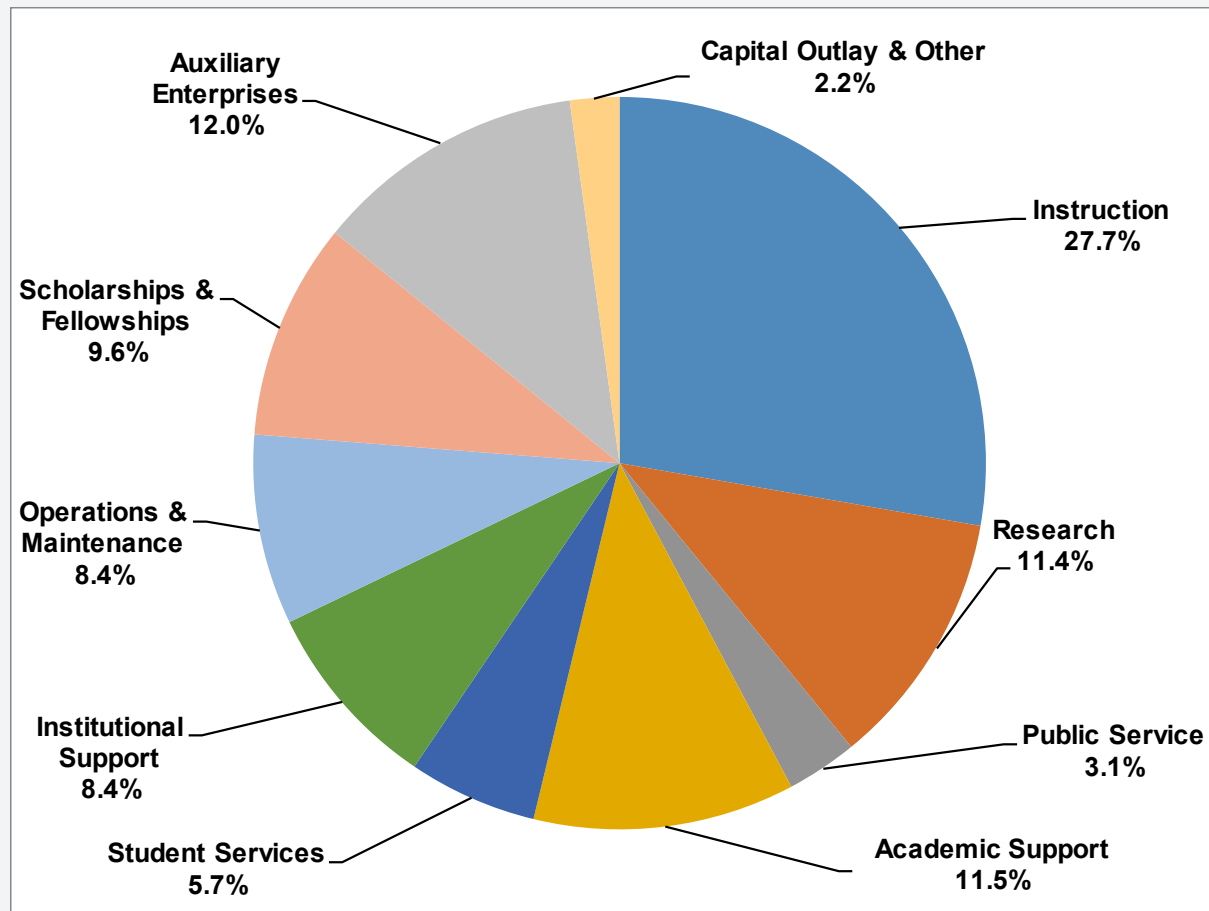


FY 2018 Sources of Operating Revenue

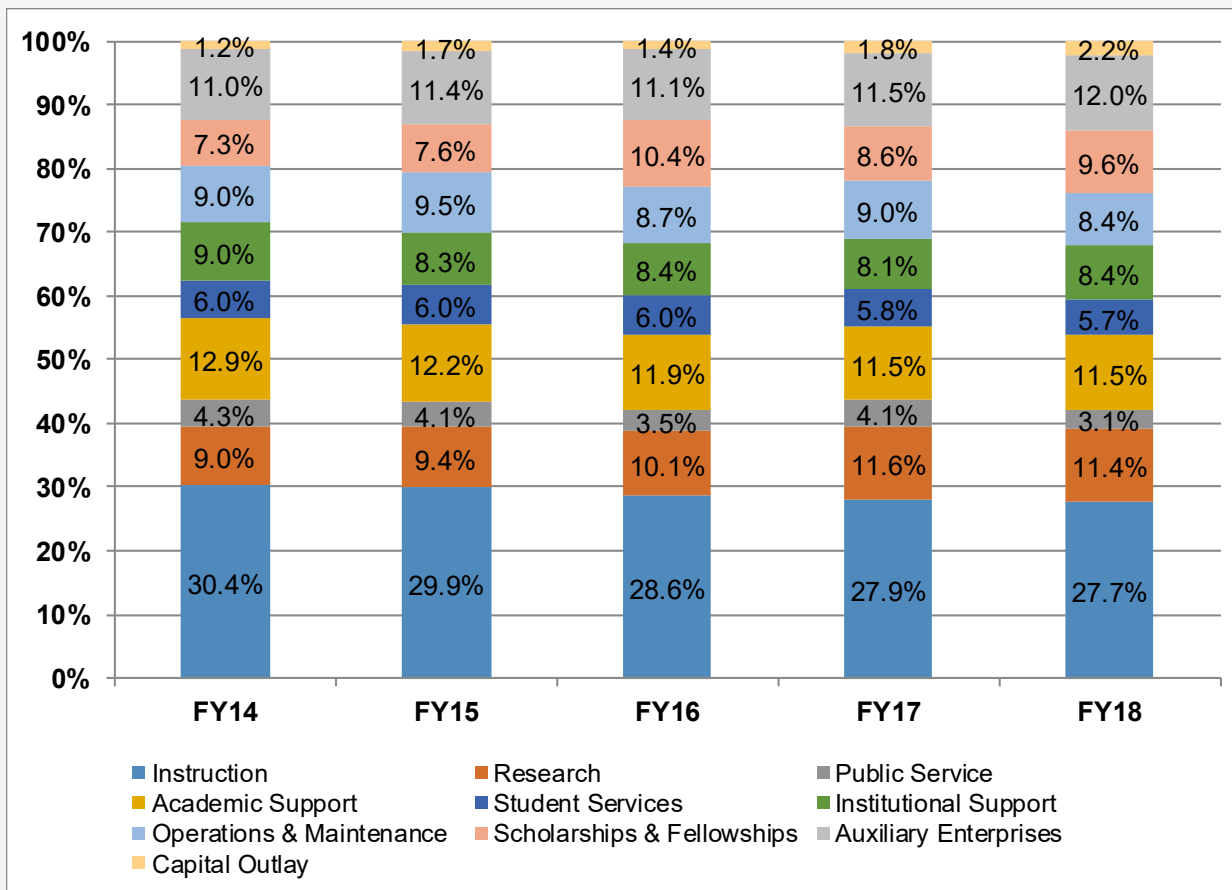
5-Year Trend



FY 2018 Operating Uses of Funds



FY 2018 Operating Uses of Funds 5-Year Trend





Reconciliation of Research and Sponsored Program Expenditures to AFR Operating Expenses — Research

Reconciliation:

Statement of Revenues, Expenses and Changes in Net Assets - Research Expenses
 Facilities & Administration (F&A)
 Capital Outlay
 Less: Excluded Amounts*

Total Research Expenditures as Reported on the THECB Research Expenditure Report

	FY 2018	FY 2017	FY 2016
\$	57,008,168	\$ 56,195,236	\$ 47,571,925
	6,432,429	6,011,152	5,687,202
	6,149,598	5,926,822	3,494,036
	(1,081,679)	(351,992)	(1,207,727)
\$	68,508,516	\$ 67,781,218	\$ 55,545,436

* Amounts that do not meet Standards & Accounting Methods (SAMs) definition of Restricted Research Expenditures



FY 2018 Analysis of Financial Condition

- UTSA received a “Satisfactory” rating from UT System
- Annual Operating Margin improved from (1.3%) to 1.3%
- Spendable Cash & Investments to Total Debt = 1.2
 - Better than UT System target of 0.9
- Debt Service to Operations = 8.0%
 - Exceeds UT System target of 5.0%
- Moody’s Overall Scorecard Rating remained at Aa2

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