



# FY2021 Financial Results

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# Today's Topics

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- Annual Financial Report (AFR)
- Financial Effect of COVID-19
- HEERF/ CARES Awards
- Other Financial Highlights
- Financial Ratios
- Functional Expense Comparison
- Research Expenditures
- Administrative Costs
- Capital Activity



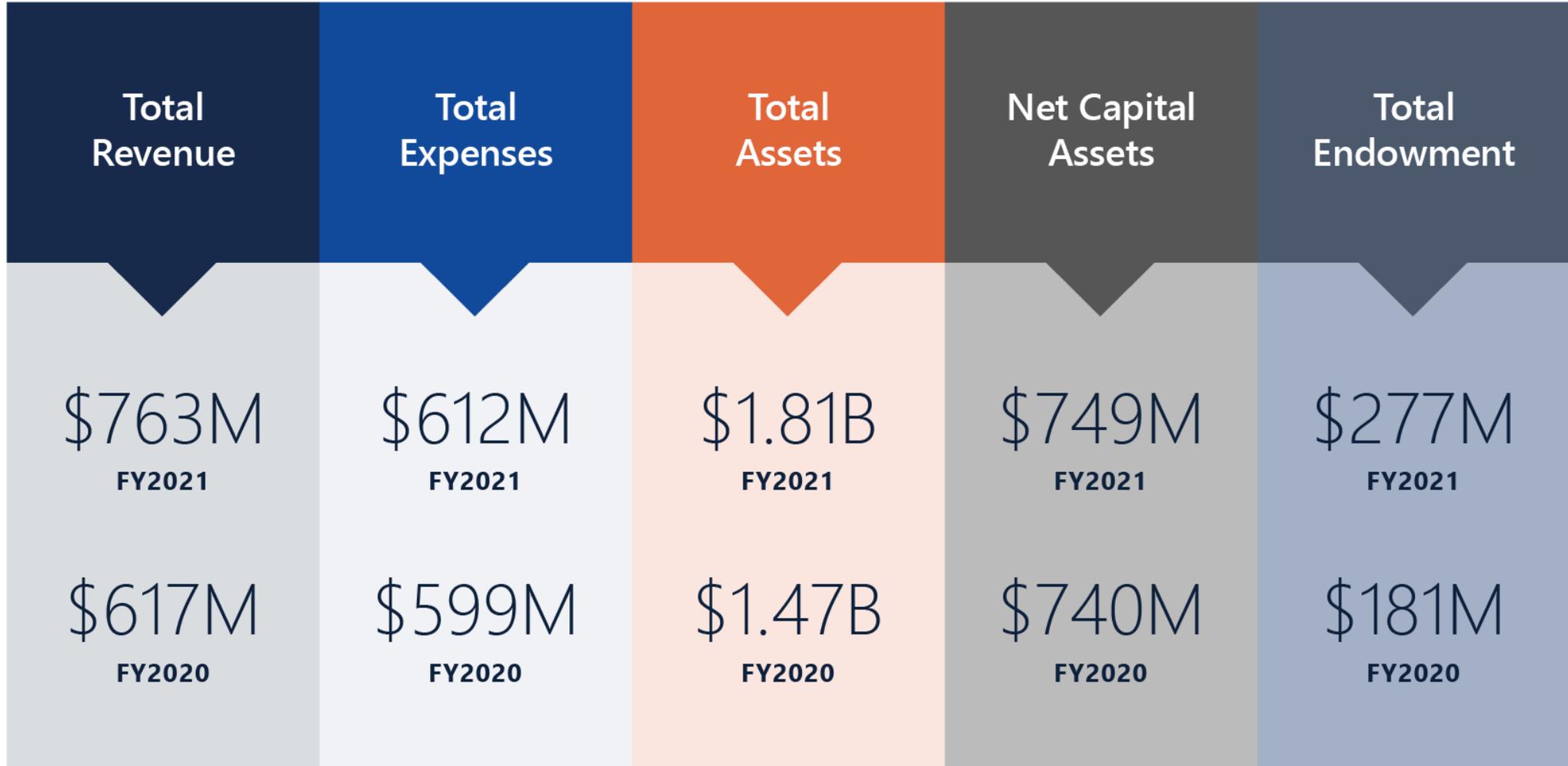
# Annual Financial Report (AFR)

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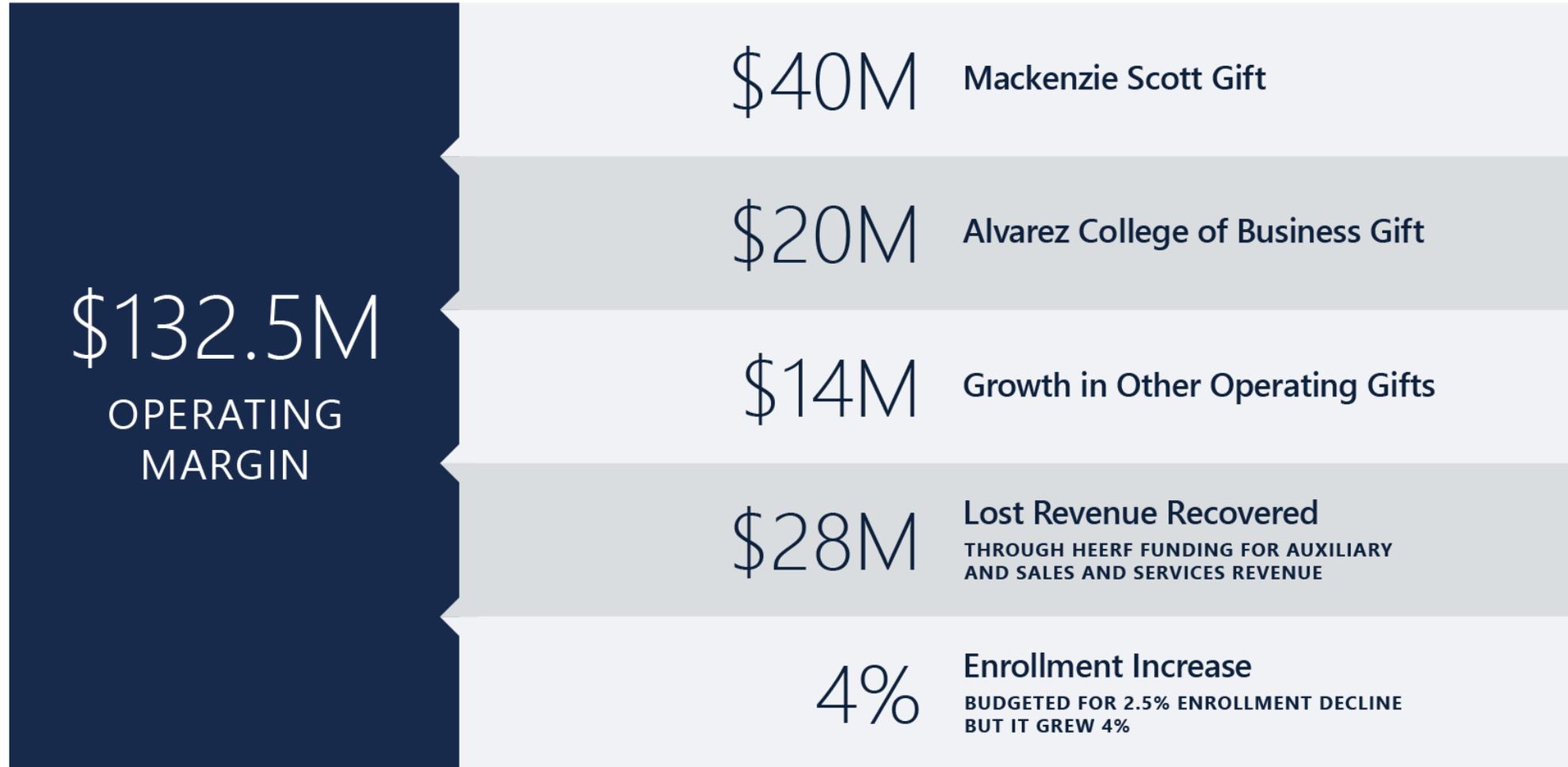
# AFR vs. IRM

<b>AFR</b> <b>Annual Financial Report</b>	<b>IRM</b> <b>Incentivized Resource Management</b>
Highlights overall financial health	Incentivized Resource Management model
Point-in-time financial presentation as of August 31, 2021, with comparative information for the previous years	Links central investments to university-wide strategic priorities
Prepared in accordance with accounting principles as prescribed by the Governmental Accounting Standards Board (GASB)	Managed year-round at departmental level with oversight from IRM governance structure
Audited at UT System consolidated level	Roadmap for investment of resources

# AFR at a Glance

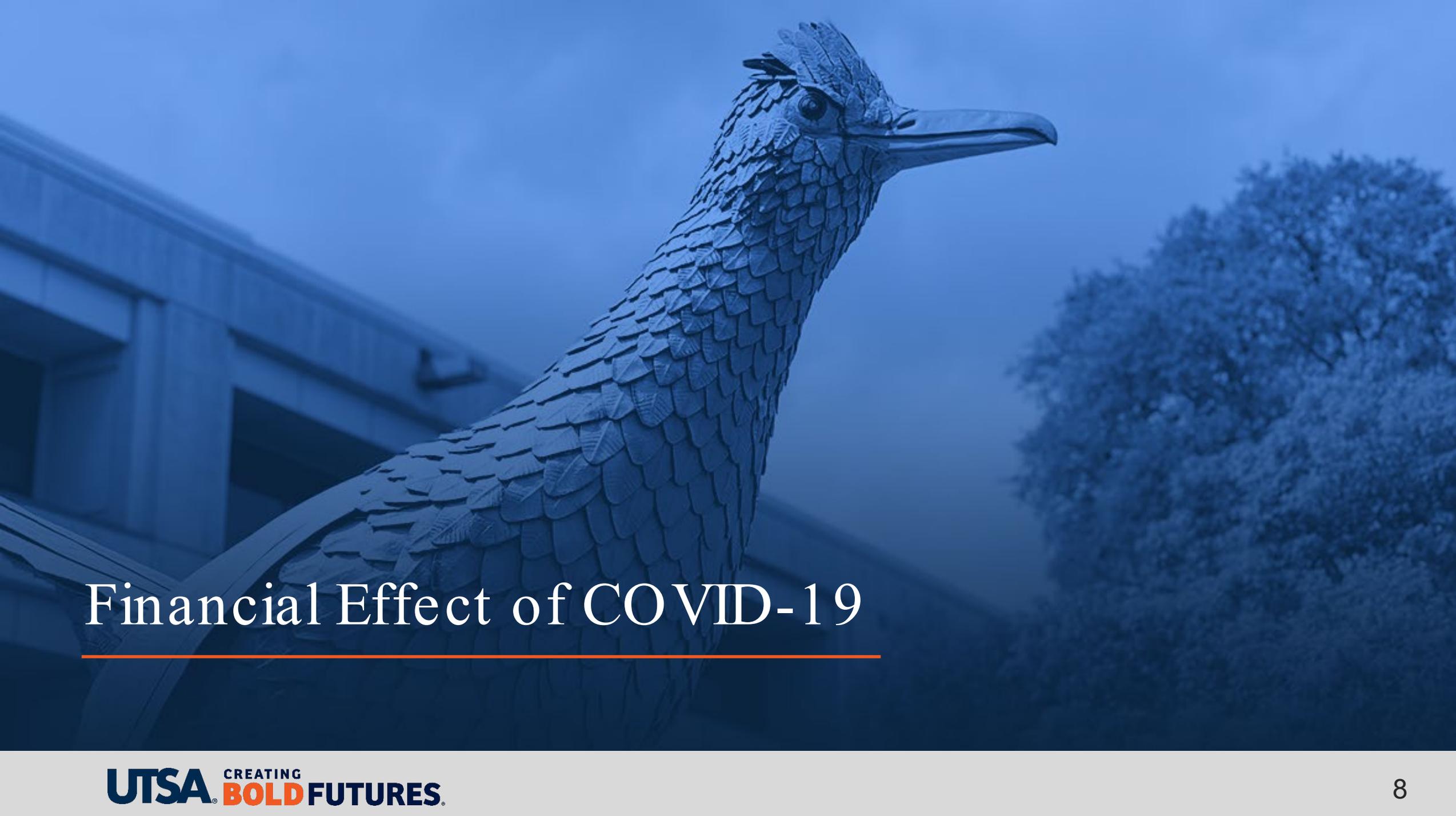


# Operating Surplus



# Operating Surplus

		FY2021	FY2020	DIFFERENCE	
				\$	%
Operating Revenues	\$	379,728,571	359,917,409	19,811,162	5.5%
Operating Expenses	\$	611,888,527	598,960,623	12,927,904	2.2%
<b>Operating Loss</b>	<b>\$</b>	<b>(232,159,956)</b>	<b>(239,043,214)</b>	<b>(6,883,258)</b>	<b>-2.9%</b>
State Appropriation	\$	136,194,839	144,082,313	(7,887,474)	-5.5%
Reimbursement for Pell & HEERF	\$	139,384,619	85,215,038	54,169,581	63.6%
Gifts for Operations	\$	78,967,784	5,814,101	73,153,683	1258.2%
Other Non-Operating Income	\$	107,070,851	43,786,608	63,284,243	144.5%
<b>Income Before Other Activity</b>	<b>\$</b>	<b>229,458,137</b>	<b>39,854,846</b>	<b>189,603,291</b>	<b>475.7%</b>
Other Activity	\$	73,680,406	13,260,048	51,544,909	455.7%
<b>Change in Net Position</b>	<b>\$</b>	<b>303,138,543</b>	<b>53,114,894</b>	<b>250,317,211</b>	<b>470.7%</b>



# Financial Effect of COVID-19

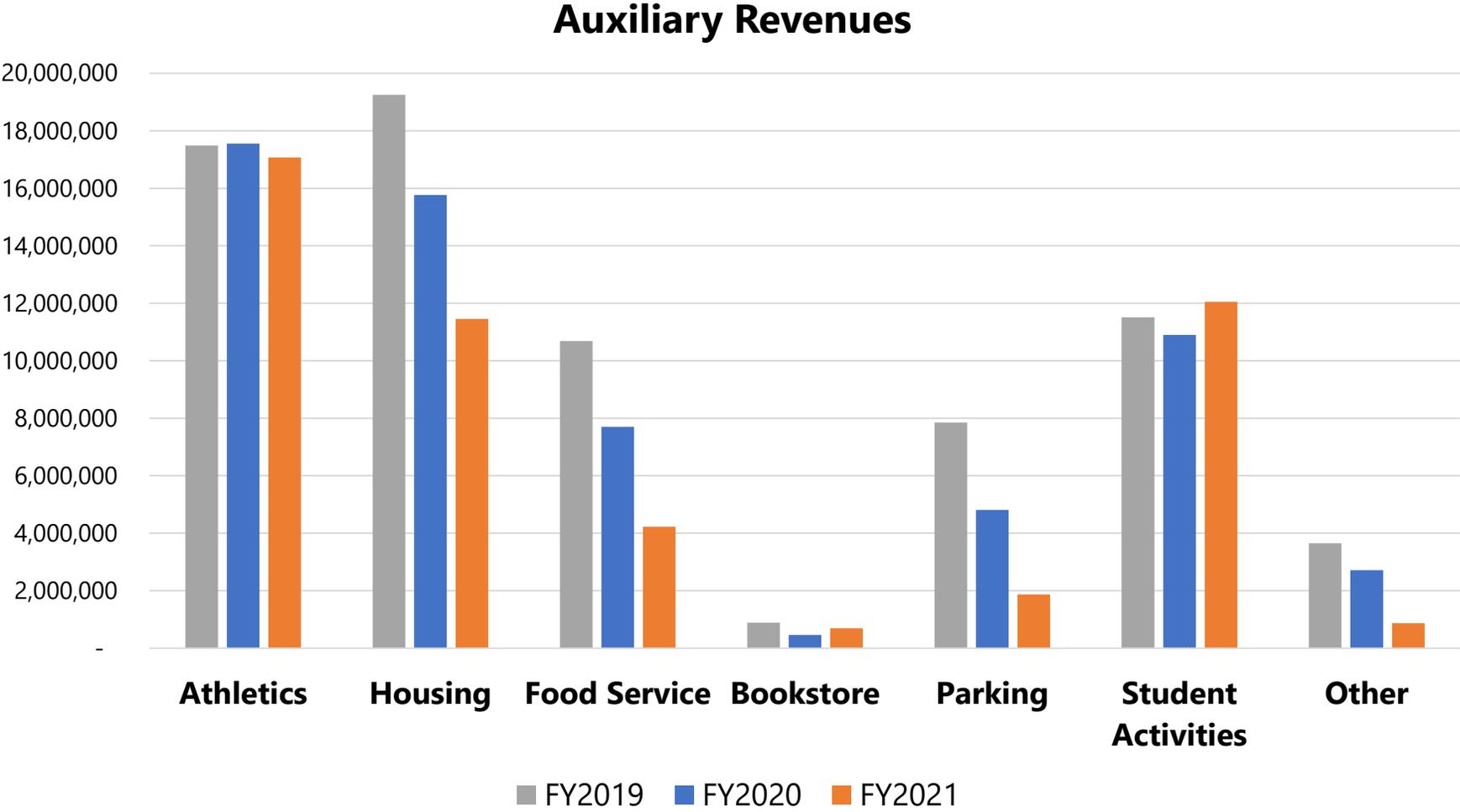
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# FY21 Financial Effect of COVID-19



# FY21 Financial Effect of COVID-19

## Negative Financial Effects — Auxiliaries



# FY21 Financial Effect of COVID-19

Certain costs remained at lower levels than FY19 with decreased activity on campus.





# HEERF Awards

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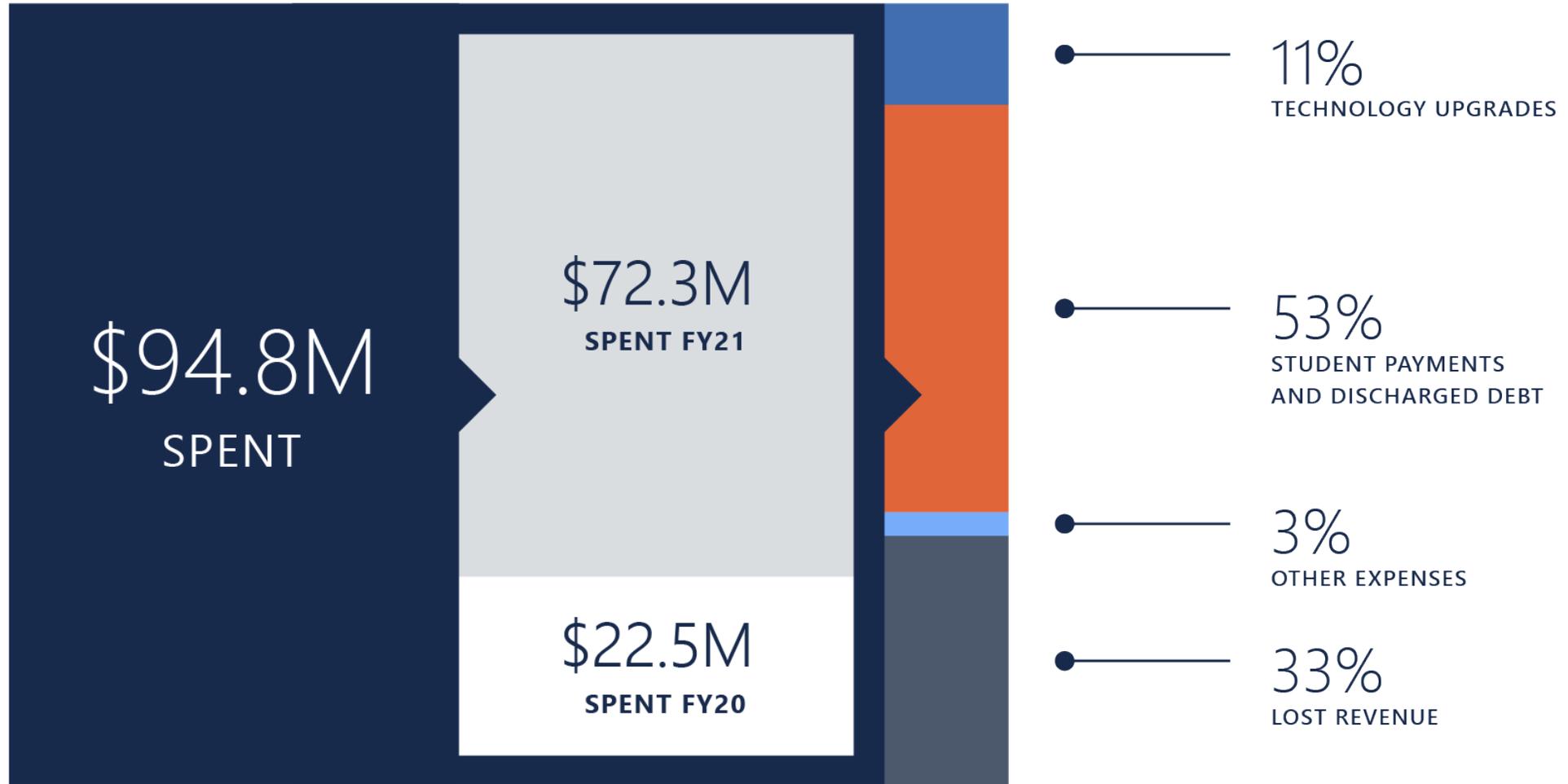
# HEERF Awards



\$94.8M  
TOTAL SPENT AS OF  
AUGUST 31, 2021

53%  
STUDENT PAYMENTS  
OR DISCHARGED DEBT

# HEERF Spending



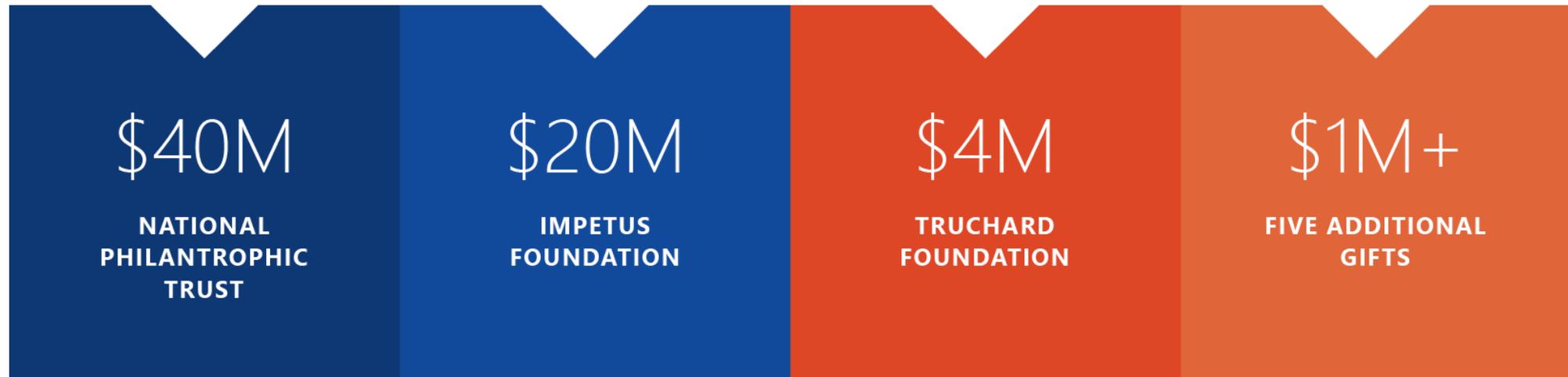


# Other Financial Highlights

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# Historic Giving

**\$79M** AN INCREASE OF \$73M  
Gifts For Operations Include



# Investments



Endowment / September 1, 2020

\$181.4M

Endowed Gifts

\$5.1M

Transferred Into Endowment

\$44.1M

Investment Appreciation

\$46.7M



**OTHER INVESTMENTS**  
**\$385M**  
**AUGUST 31, 2021**

Unrestricted Investments  
September 1, 2020

\$307M

Investment Appreciation

\$32M

Net Transfers to  
Intermediate Term Fund

\$45M

# Roadrunner Athletics Center for Excellence

- Opened July 2021
- Facility lease: UTSA pays \$1M per year for 25 years
- Accounting effect
  - Net present value of full lease recorded as liability of \$14.8M
  - Building recorded at the same value because UTSA will receive ownership at end of the lease
- Full construction cost is \$36.5M
- Possibility recorded value will change
  - Lease rules change in FY2022 – needs to be reassessed
  - If foundation raises enough money to transfer asset early



# Guadalupe Hall

- Opened to students fall 2021
- Geared toward freshman students
- Designed with an academic lounge on each floor
- Offers engagement spaces, including kitchens, e-gaming lounge and gym.
- Housing living-learning communities, such as the Honors Residential Community
- 200 double-occupancy bedrooms
- Accommodates 360 students
- 101,350-gross-square-feet
- Expands number of students living on campus to 4,508
- Cost: \$40.9 million



# Other Significant Items

Decreased state appropriations and projected enrollment decrease led to budget reduction

- 9% reduced in college budgets
- 10% other units

Significant technology purchase for computers, virtual desktop interface and high performing computer center

- Included \$13.1 million gift-in-kind
- \$6.8 million HEERF funding used for a portion of UTSA purchase price



# Other Significant Items

Chisolm residence hall transferred to UTSA ownership after 30-year management agreement

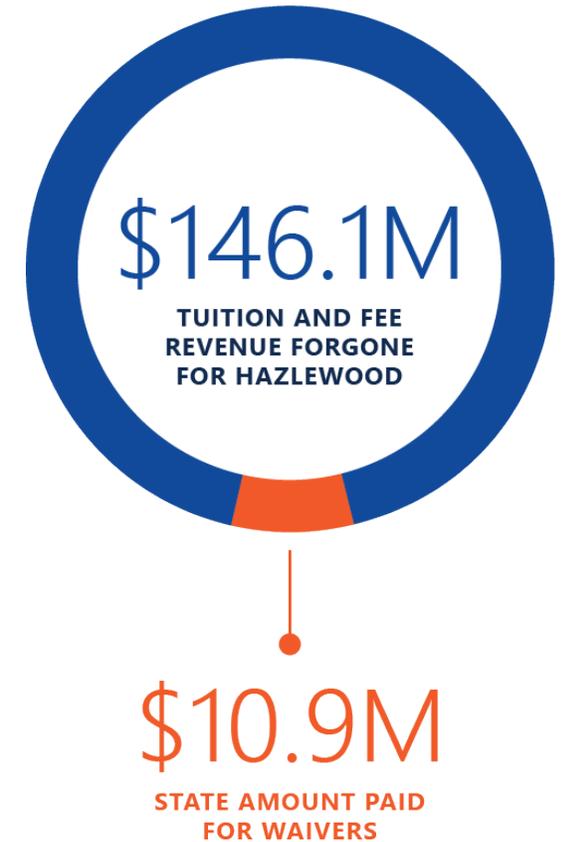
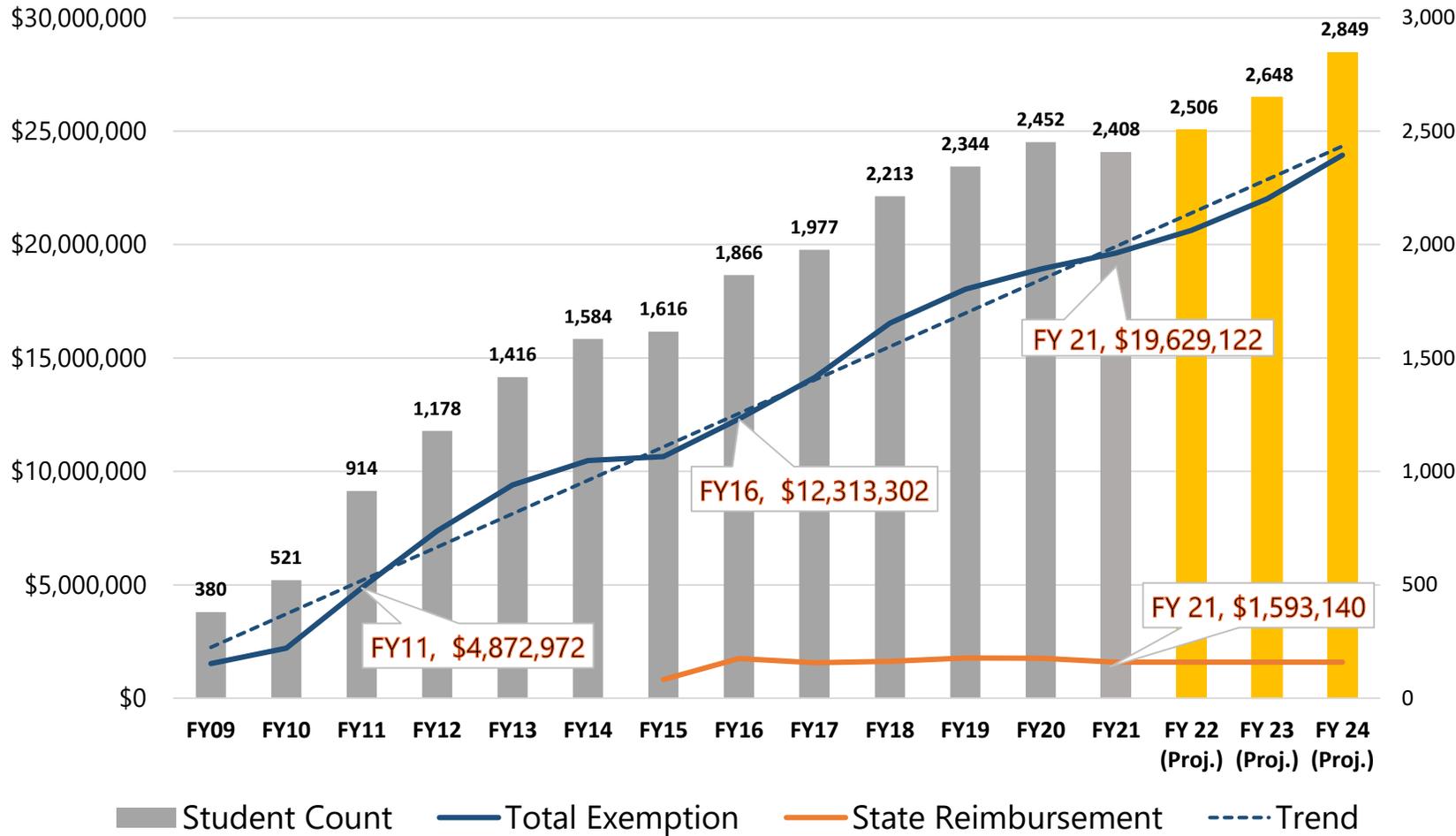
- \$711,000 value based upon tax assessment value



# Financial Highlights – Exemptions

		FY2021	FY2020	\$ DIFFERENCE
Hazlewood Legacy	\$	13,473,000	13,769,000	(296,000)
Hazlewood Spouse	\$	476,000	297,000	179,000
Hazlewood Exemption	\$	1,989,000	1,877,000	112,000
Hazlewood Dependents	\$	3,706,000	2,970,000	736,000
Adopted	\$	1,177,000	864,000	313,000
Dual Enrollment	\$	918,000	559,000	359,000
Blind/Deaf Student	\$	604,000	532,000	72,000
Foster Care	\$	443,000	345,000	98,000
Governing Board Waivers	\$	120,000	195,000	(75,000)
Highest Ranking HS Scholar	\$	130,000	140,000	(10,000)
Other Various	\$	63,000	74,000	(11,000)
<b>Total Exemptions</b>	<b>\$</b>	<b>23,099,000</b>	<b>21,622,000</b>	<b>1,477,000</b>

# Hazlewood Act at UTSA



# Scholarships and Tuition Discounts

## UTSA Delivers on a Bold Promise

- First year that UTSA's Bold Promise program was in effect
- Tuition and mandatory fees covered for qualified students with family income \$50,000 or less

**\$6.4 million**

in covered tuition and fees for Bold Promise families in 2020-2021

**\$13,387**

average gift aid for incoming Bold Promise students



**79%**

newly enrolled Bold Promise students identify as Hispanic or Latino



**89%**

Bold Promise students in the top 10% of their high school class returned for their second year at UTSA



**35%**

enrolled Bold Promise students are from Bexar County

# Financial Highlights: Salary & Wage Expenses

	FY2021	FY2020	DIFFERENCE	
			\$	%
Faculty - Tenure/Tenure Track	\$ 70,163,524	65,299,525	4,863,999	7%
Faculty - Non-Tenure Track	\$ 20,917,516	22,900,073	(1,982,556)	-9%
Faculty - Summer	\$ 14,360,531	13,558,013	802,518	6%
GTAs and GRAs	\$ 15,327,276	15,077,599	249,677	2%
Staff - Permanent	\$ 137,575,727	141,722,803	(4,147,076)	-3%
Vacation Payout	\$ 1,096,655	1,937,858	(841,203)	-43%
Students - Regular and Work Study	\$ 7,907,947	9,413,882	(1,505,935)	-16%
Other Salaries and Wages	\$ 731,306	508,206	223,100	44%
Moving Expense and Temporary Housing Allowance	\$ 629,672	735,462	(105,790)	-14%
Staff - Temporary	\$ 1,389,188	1,617,897	(228,709)	-14%
Overtime and Hazardous Duty Pay	\$ 235,131	497,890	(262,758)	-53%
Longevity Pay	\$ 2,175,578	2,360,476	(184,899)	-8%
Tuition Remission	\$ 512,236	383,021	129,215	34%
<b>Total Salaries and Wages</b>	<b>\$ 273,022,287</b>	<b>276,012,704</b>	<b>(2,990,416)</b>	<b>-1%</b>



# Financial Ratios

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# Why the Ratios Matter

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UT System uses to evaluate financial condition

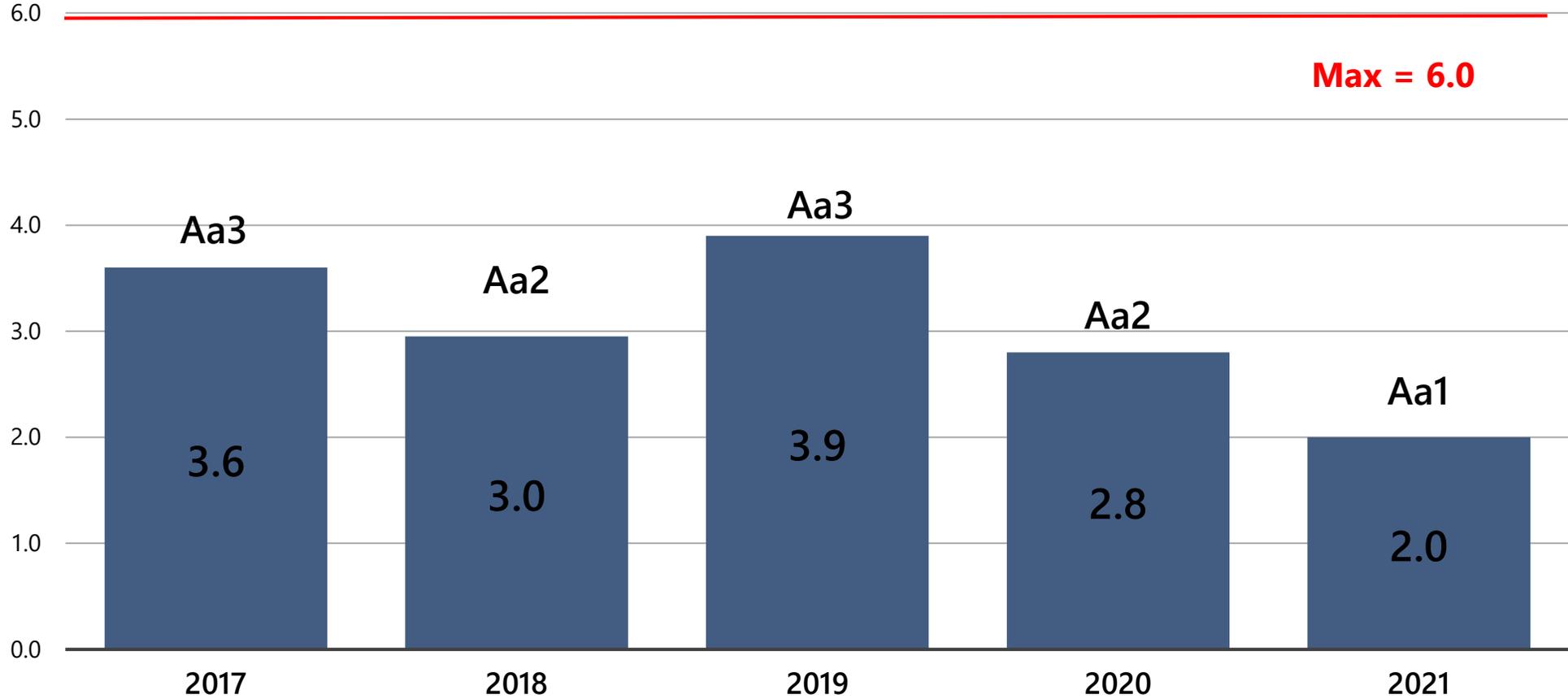
- Satisfactory/ Watch/ Unsatisfactory
- Not yet rated for FY21
- Satisfactory rating for FY20

UTSA must meet certain ratios to increase debt



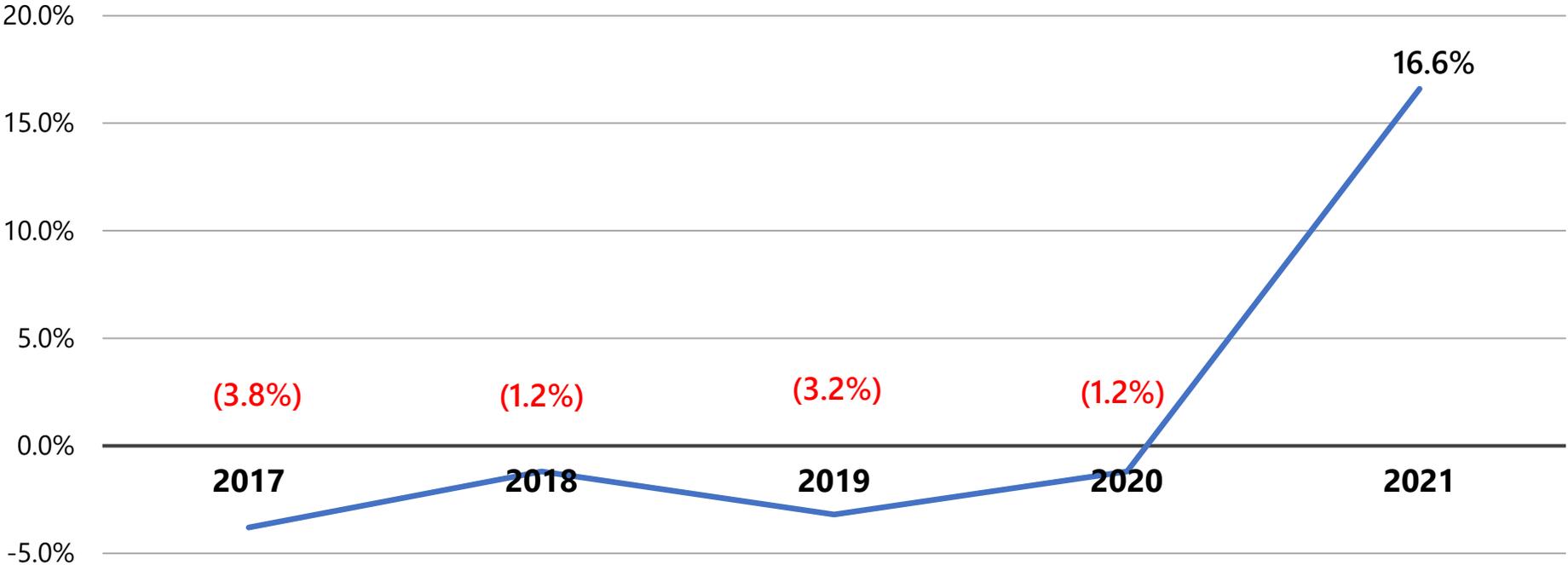
# Annual Financial Condition Ratios

Moody's Ratio *(preliminary)*



# Annual Financial Condition Ratios

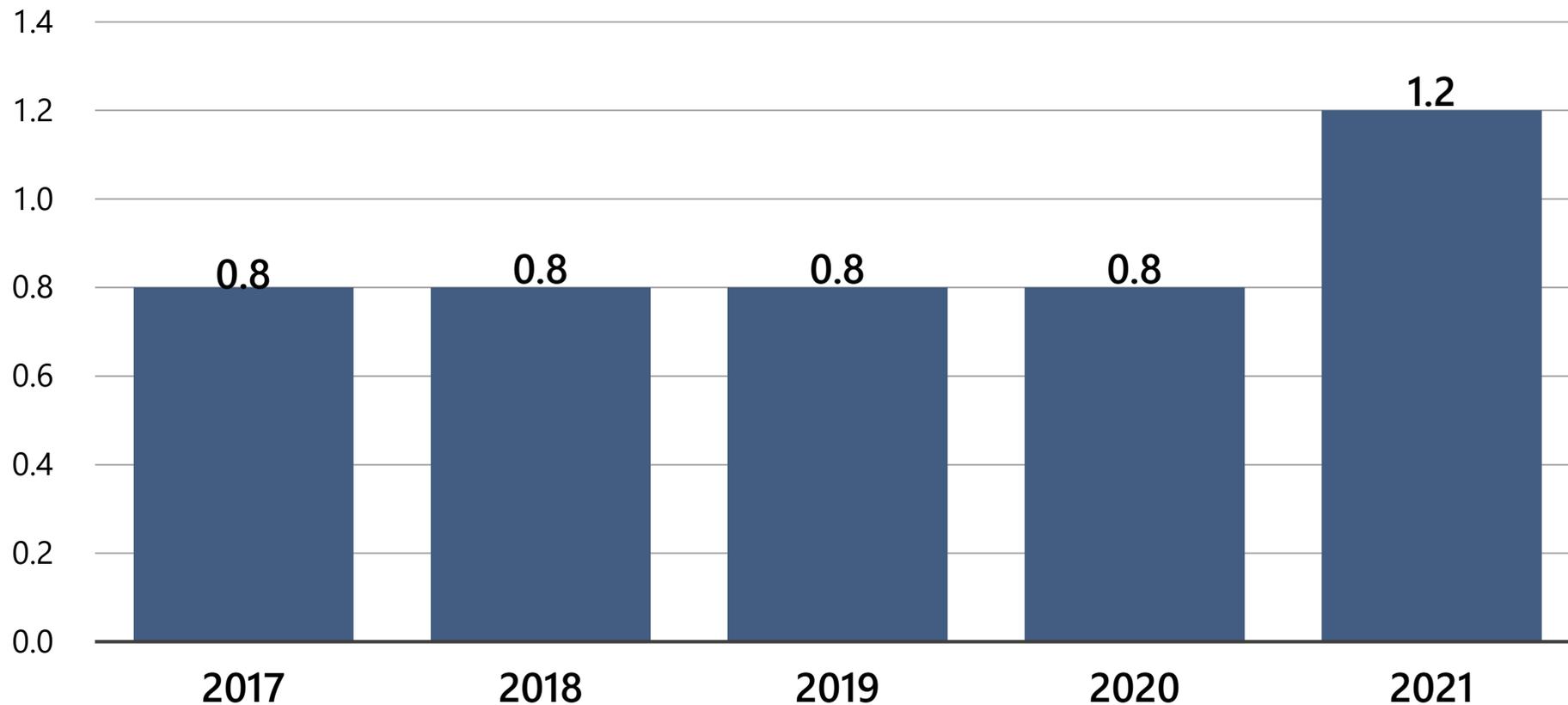
(Preliminary)  
Annual Operating Margin



# Annual Financial Condition Ratios

*(preliminary)*

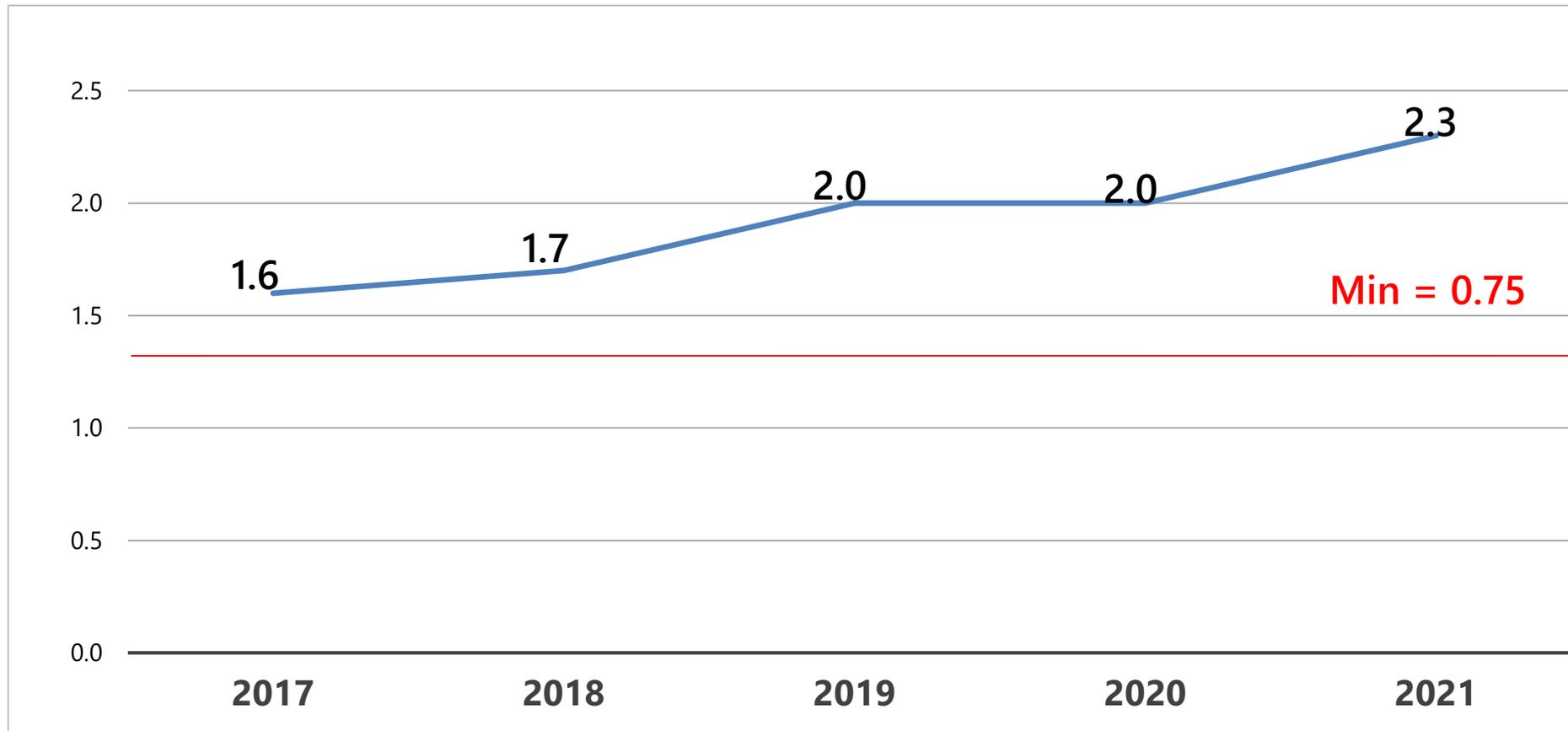
## Spendable Cash & Investments to Operating Expenses

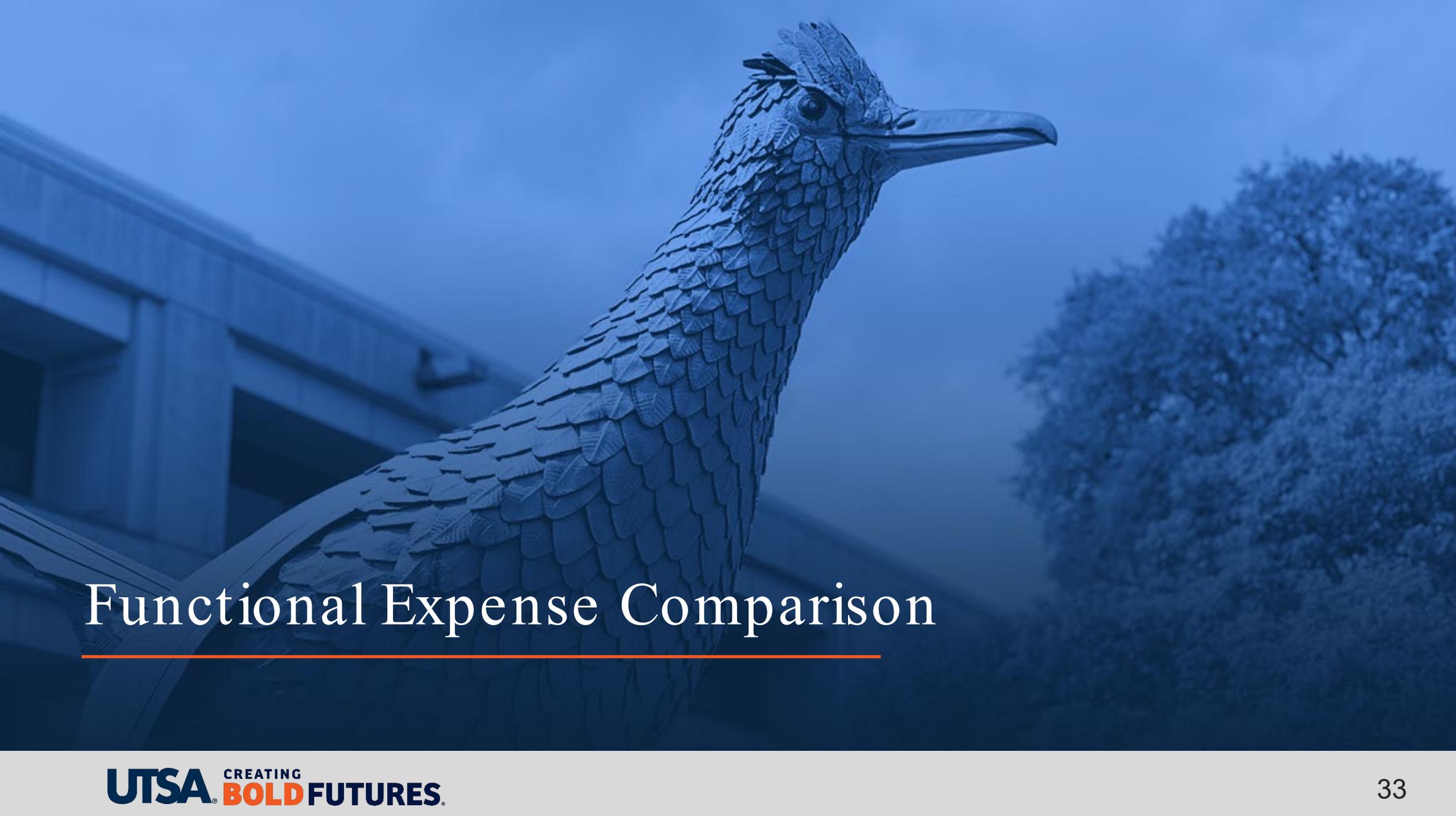


# Annual Financial Condition Ratios

*(preliminary)*

## Spendable Cash & Investments to Total Debt





# Functional Expense Comparison

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# Functional Expenditures

	FY2021	FY2020	\$ CHANGE	% CHANGE
Instruction	\$ 115,902,355	116,289,403	(387,048)	-0.33%
Research	\$ 108,189,847	98,611,060	9,578,787	9.71%



## Instruction

- Expenses for institution's instruction program
- Credit and noncredit courses



## Research

- Externally funded research
- Separately budgeted departmental research

# Functional Expenditures

	FY2021	FY2020	\$ CHANGE	% CHANGE
Public Service	\$ 15,662,717	15,494,837	167,880	1.08%
Academic Support	\$ 71,708,636	72,405,213	(696,577)	-0.96%



## Public Service

Expenses to provide non-instructional services for the benefit of external groups

*Example: Institute for Economic Development*



## Academic Support

Expenses incurred to provide support services for instruction, research and public service

*Examples: College level academic support, majority of information technology costs, libraries, advising*

# Functional Expenditures

	FY2021	FY2020	\$ CHANGE	% CHANGE
Student Services	\$ 30,539,304	31,496,632	(957,328)	-3.04%
Institutional Support	\$ 42,934,639	44,160,373	(1,225,734)	-2.78%
Operations & Maintenance	\$ 40,643,999	50,360,793	(9,716,794)	-19.29%



## Student Services

Expenses for offices and activities that contribute to students' wellbeing and development outside the context of the formal instruction program

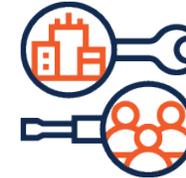
*Examples: Registrar, Financial Aid, Counseling Services*



## Institutional Support

Expenses for central activities concerned with management and planning for the entire institution

*Examples: Executive Management, Development and Alumni Relations, Business Affairs administrative services*



## Operations and Maintenance of Plant

Expenses for the administration, supervision, operation, maintenance, preservation and protection of the institution's physical plant

# Functional Expenditures

	FY2021	FY2020	\$ CHANGE	% CHANGE
Scholarships and Fellowships	\$ 86,093,922	64,126,925	21,966,997	34.26%
Auxiliary Enterprises	\$ 41,166,889	54,877,141	(13,710,252)	-24.98%
Depreciation of Buildings and Equipment	\$ 59,046,219	51,138,246	7,907,973	15.46%



## Scholarships and Fellowships

Grants that neither require the student to perform service to the institution nor require the student to repay the amount

Does not include all financial aid; most financial aid is presented as direct offset to tuition revenue. Total aid for FY21 was \$198.9 million, which was a \$33.6 million increase due to HEERF student payments.



## Auxiliary Enterprises

Managed to operate as a self-supporting activity

*Examples: Housing, Athletics, Parking*



## Depreciation

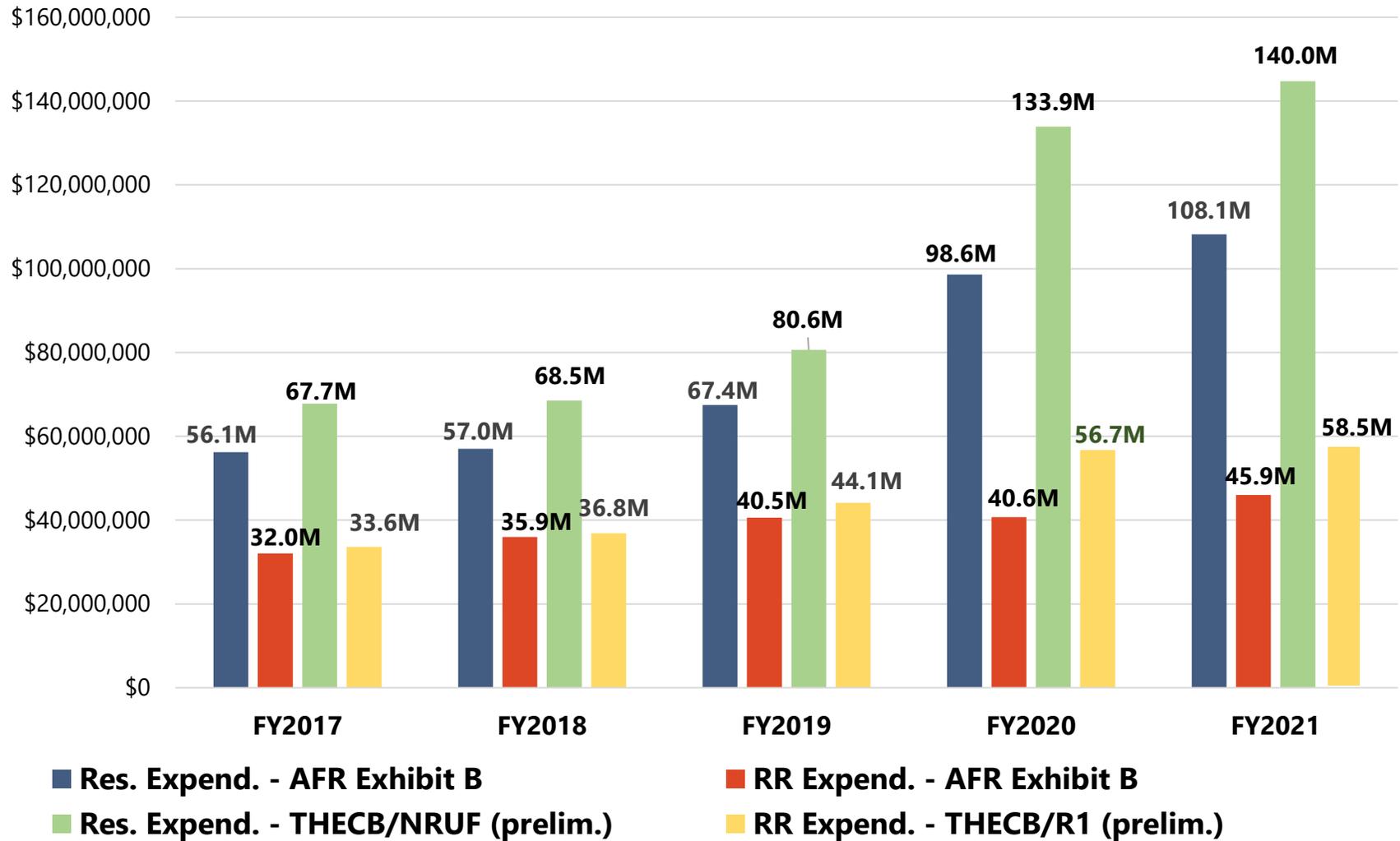
Buildings and capital equipment are expensed over their useful life rather than at the time of purchase.



# Research Expenditures

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# Research Expenditures





# Administrative Costs

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# Administrative Cost Measure Calculation

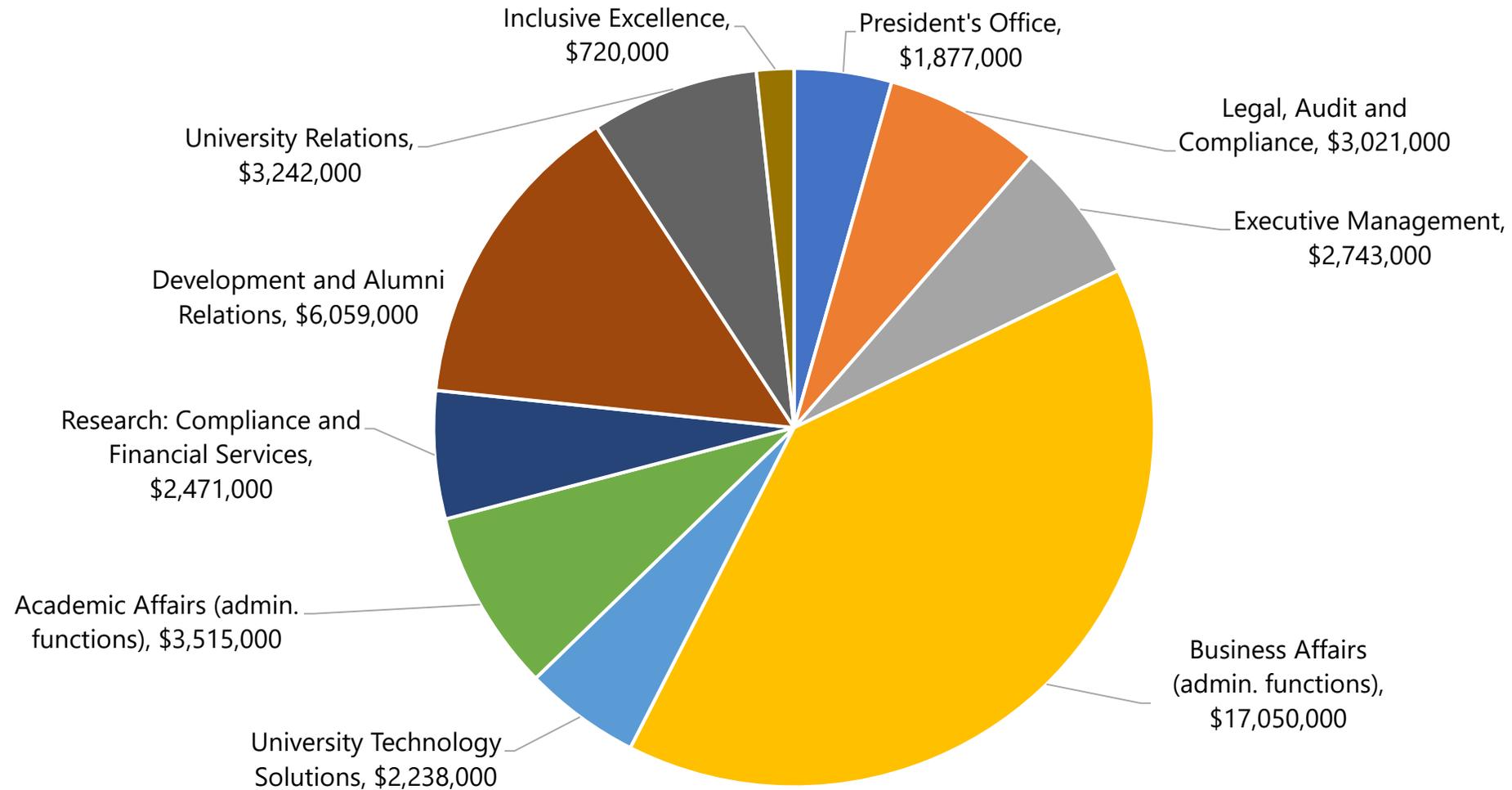


Institutional Support Expense

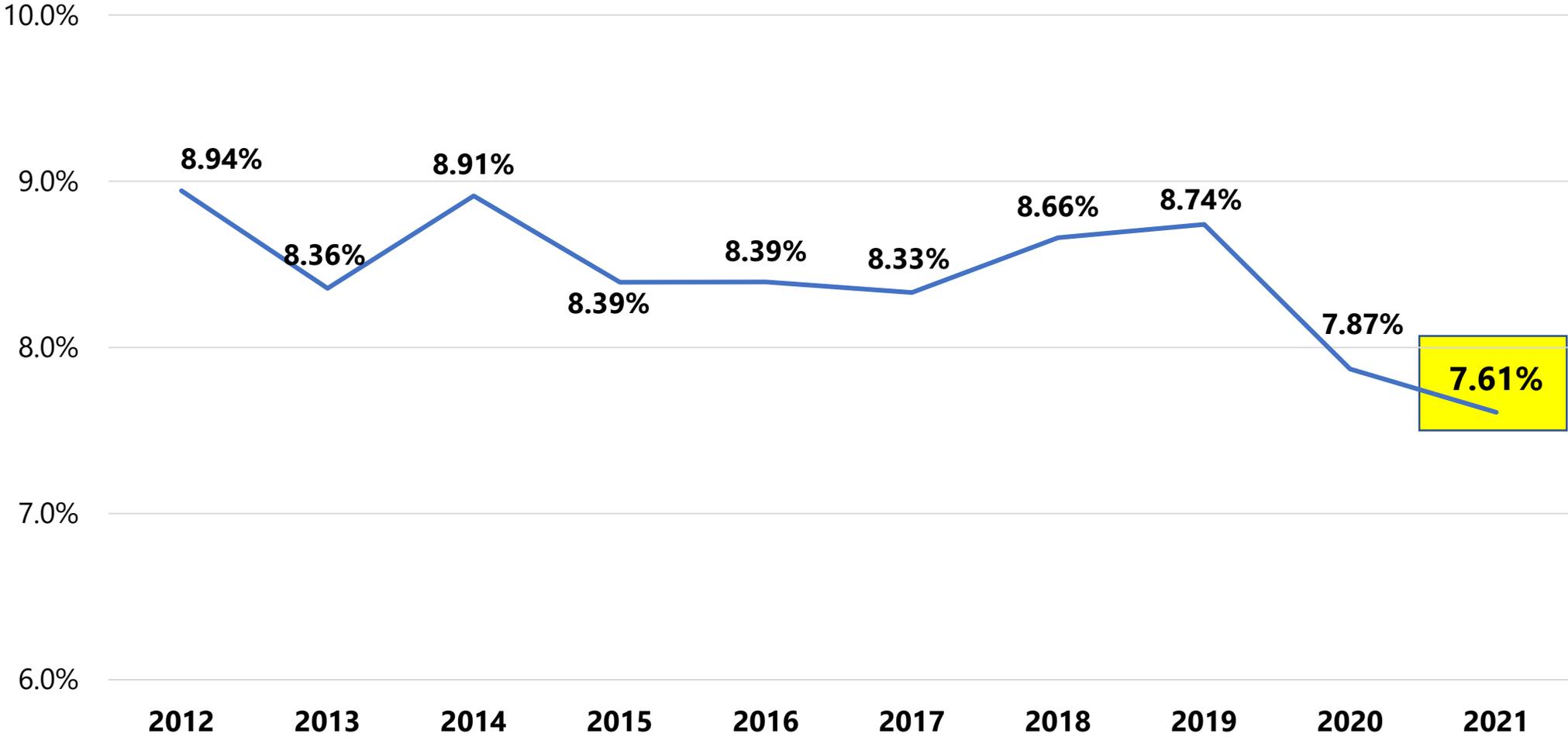


(Total Operating Expense –  
Auxiliary Expense)

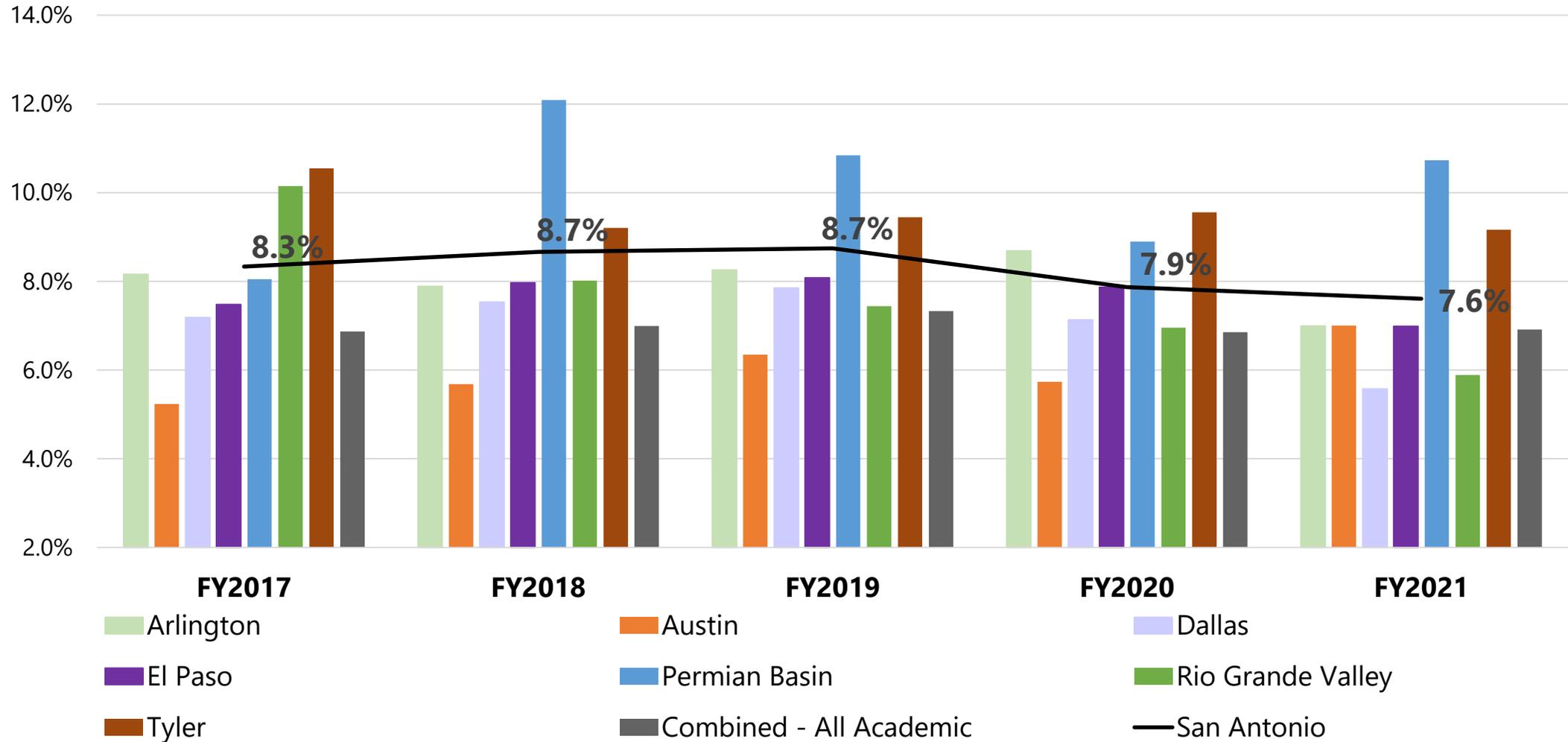
# Institutional Support Expense – Composition



# Administrative Cost Measure

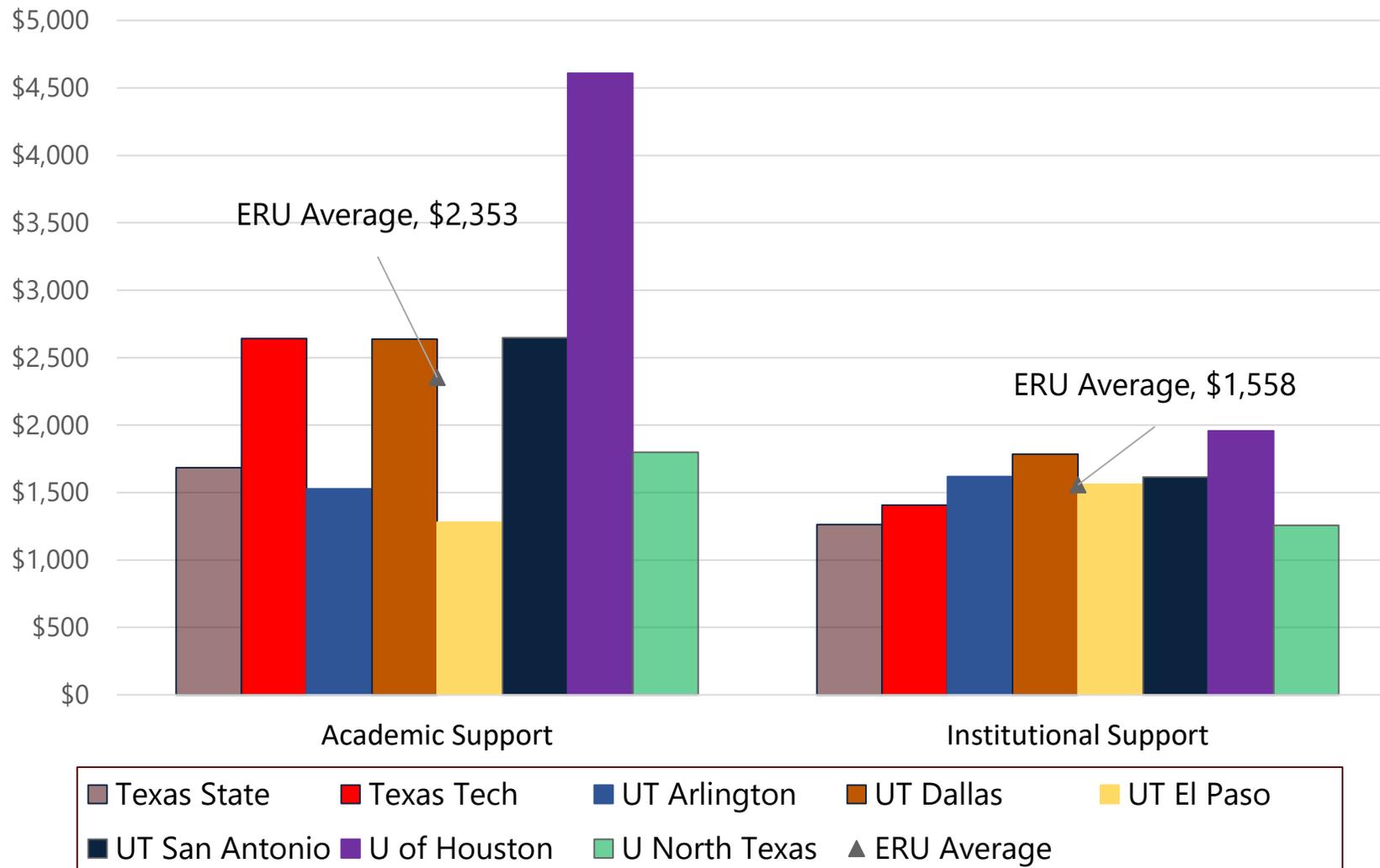


# Administrative Cost Measure — UT System



# Expenditures Per Full-Time Student Equivalent

## FY20 Emerging Research Institutions



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**CREATING**  
**BOLD**  
**FUTURES**<sup>®</sup>