

The University Senate

February 5, 2020 Meeting

2/5/2020



Michigan Tech

Susan Kerry

Chief Financial Officer and Senior Vice President for
Administration

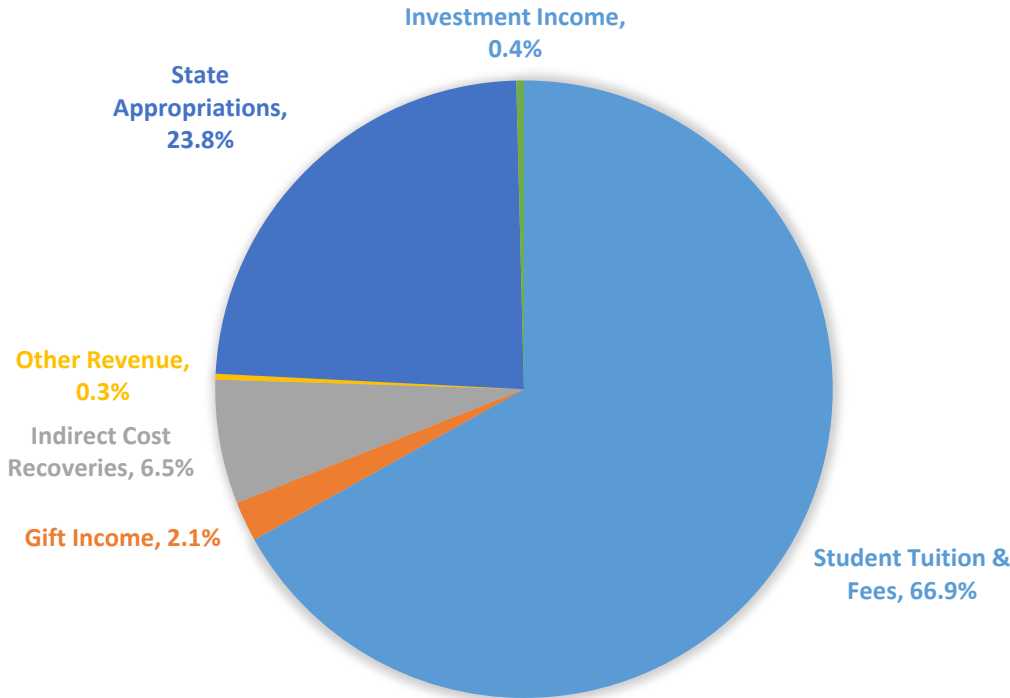
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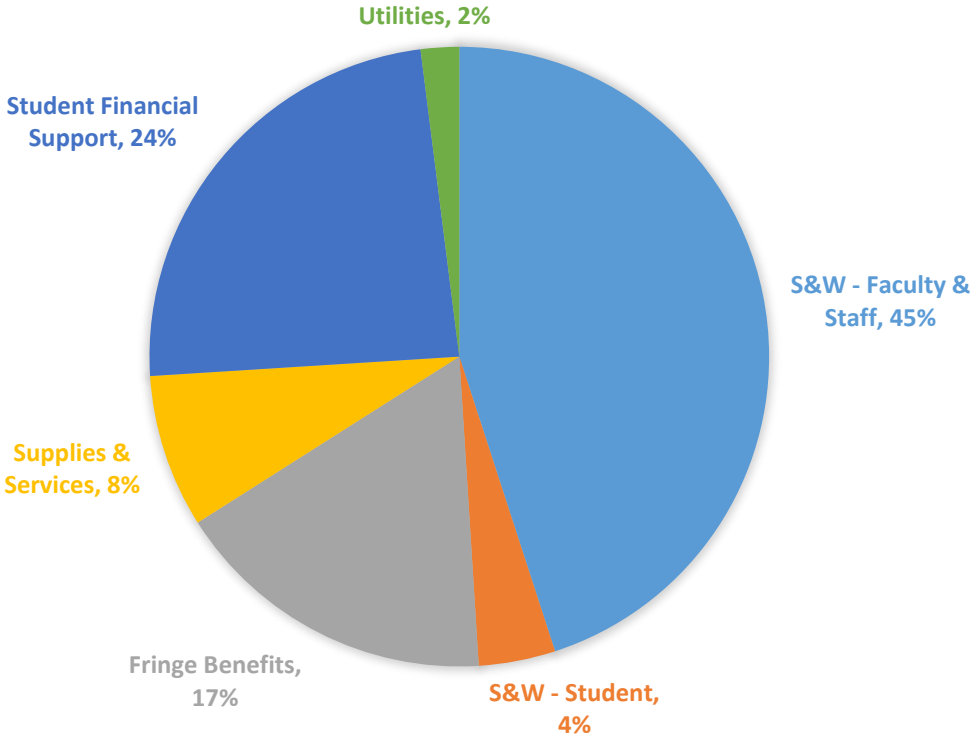
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FY19 – Actual (General Fund)

SOURCES OF FUNDS
FY19 GENERAL FUND (ACTUALS)

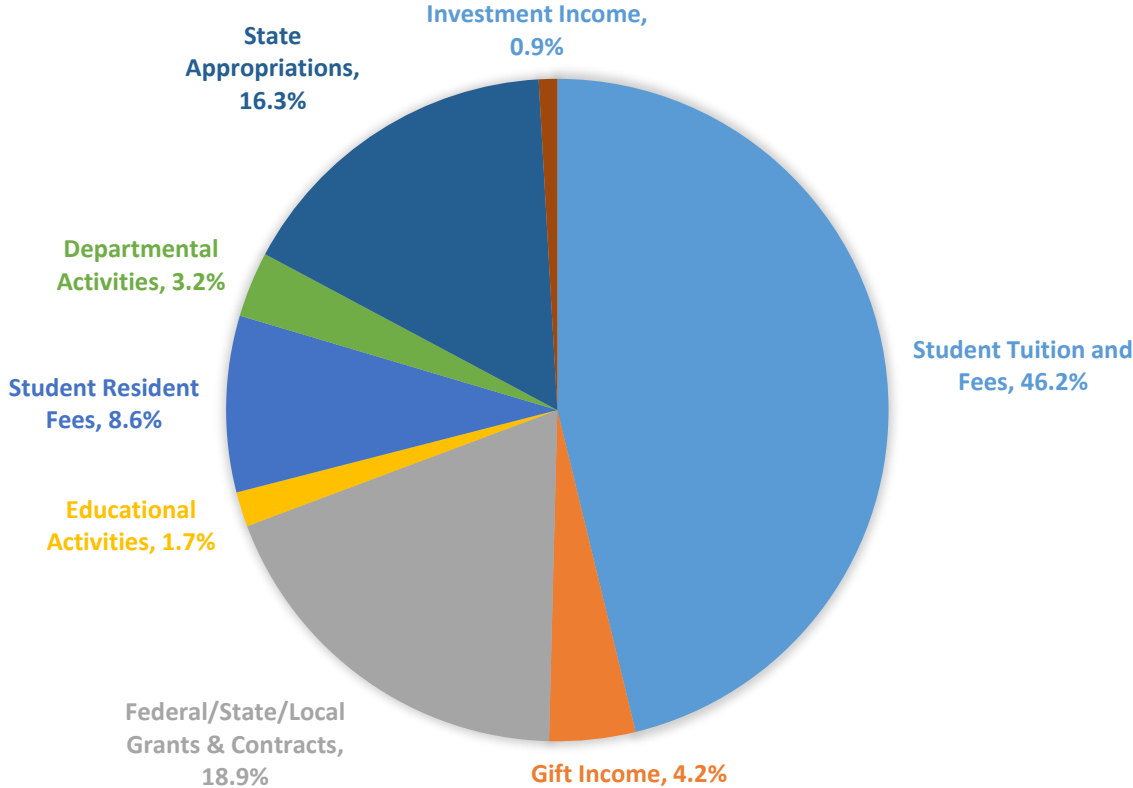


USES OF FUNDS
FY19 GENERAL FUND (ACTUALS)

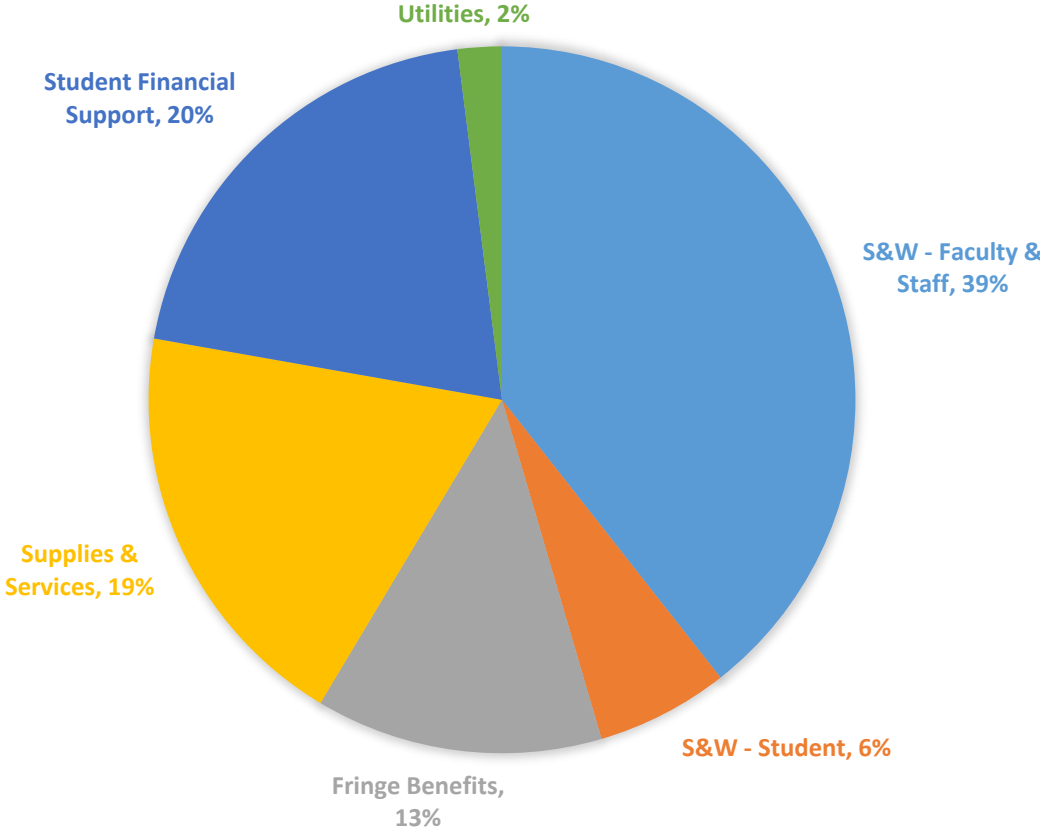


FY19 – Actual (Current Fund)

SOURCES OF FUNDS
FY19 CURRENT FUND (ACTUALS)



USES OF FUNDS
FY19 CURRENT FUND (ACTUALS)



Year Ending June 30, 2019 (FY19)

	General Fund				Current Fund			
	Adjusted Budget	Actual	Variance	%	Original Projection	Actual	Variance	%
OPERATING REVENUES								
	157,353,984	154,654,432	(2,699,552)	-1.7%	238,206,245	235,120,769	(3,085,476)	-1.3%
OPERATING EXPENSES								
	(197,981,728)	(193,292,163)	4,689,565	2.4%	(298,326,090)	(296,315,011)	2,011,079	0.7%
TOTAL TRANSFERS								
	(14,690,570)	(14,691,631)	(1,061)	0.0%	(9,893,708)	(9,498,249)	395,459	4.0%
NONOPERATING REVENUES (EXPENSES)								
	55,318,314	55,148,893	(169,421)	-0.3%	71,475,432	71,558,961	83,529	0.1%
Change in Net Position (without Pension & OPEB Expense)	\$ -	\$ 1,819,531	1,819,531		\$ 1,461,879	866,470	\$ (595,409)	
Less: Pension & OPEB Expense						(6,048,304)		
Change in Net Position (with Pension & OPEB Expense)						\$ (5,181,834)		
Notes: Revenues, Expenditures, & Changes in Net Position.								
The original projection did not include estimates for the Pension & OPEB expenses or investment gains/losses.								

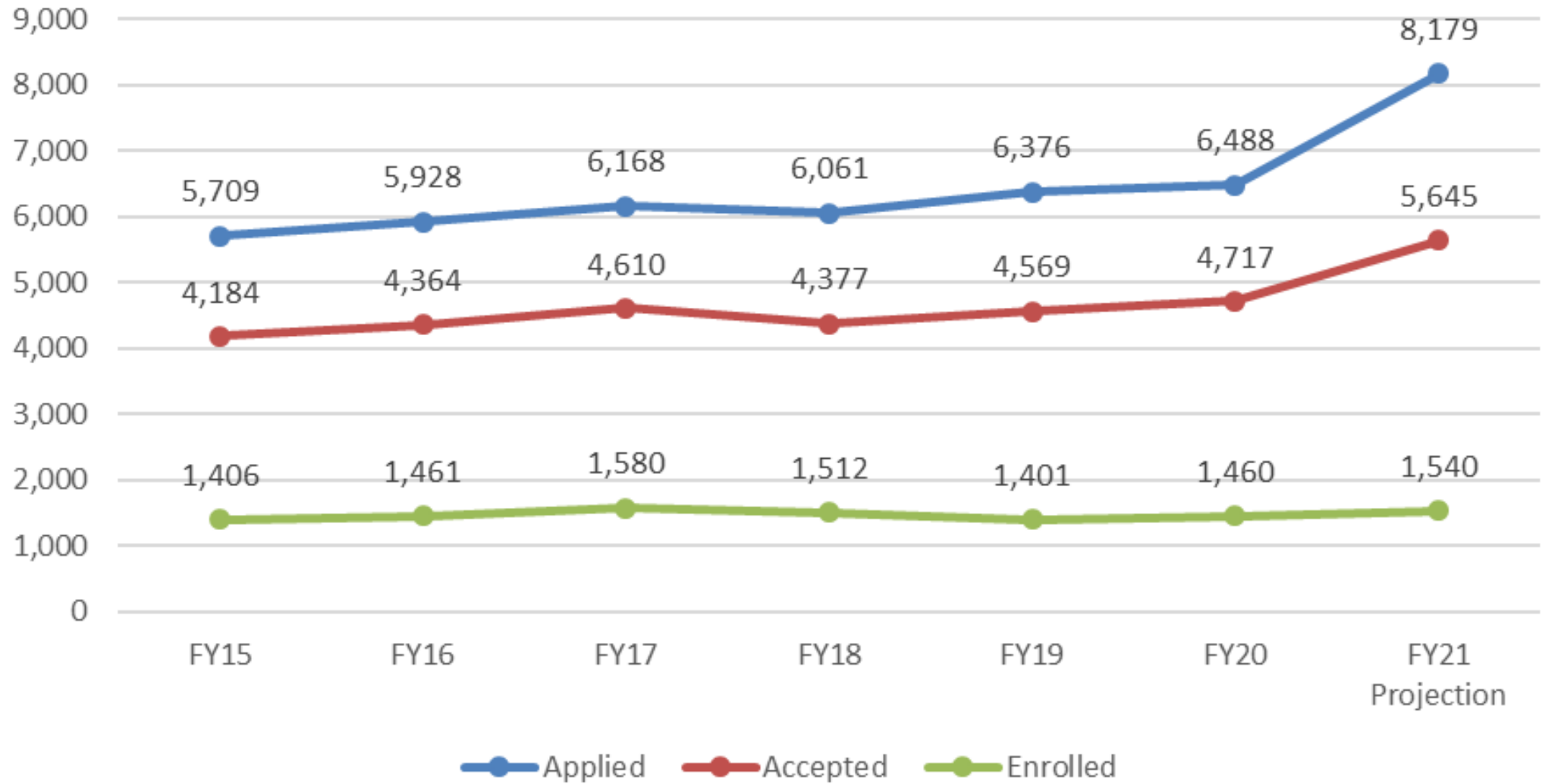


Projections Year Ending June 30, 2020 (FY20)

	General Fund				Current Fund			
	Adjusted Budget	Actual	Variance	%	Original Projection	Actual	Variance	%
OPERATING REVENUES	160,536,721	155,600,090	(4,936,631)	-3.1%	243,804,427	238,122,963	(5,681,464)	-2.3%
OPERATING EXPENSES	(202,425,288)	(197,912,900)	4,512,389	2.2%	(304,892,183)	(299,939,175)	4,953,008	1.6%
TOTAL TRANSFERS	(14,328,747)	(14,193,327)	135,420	0.9%	(9,032,081)	(9,757,456)	(725,375)	-8.0%
NONOPERATING REVENUES (EXPENSES)	56,217,314	55,725,919	(491,395)	-0.9%	70,350,440	70,728,856	378,416	0.5%
Change in Net Position (without Pension & OPEB Expense)	\$ -	\$ (780,217)	(780,217)		\$ 230,603	(844,814)	\$(1,075,415)	
Notes: Revenues, Expenditures, & Changes in Net Position.								
The original projection did not include estimates for the Pension & OPEB expenses or investment gains/losses.								



Undergraduate Enrollment Recruitment

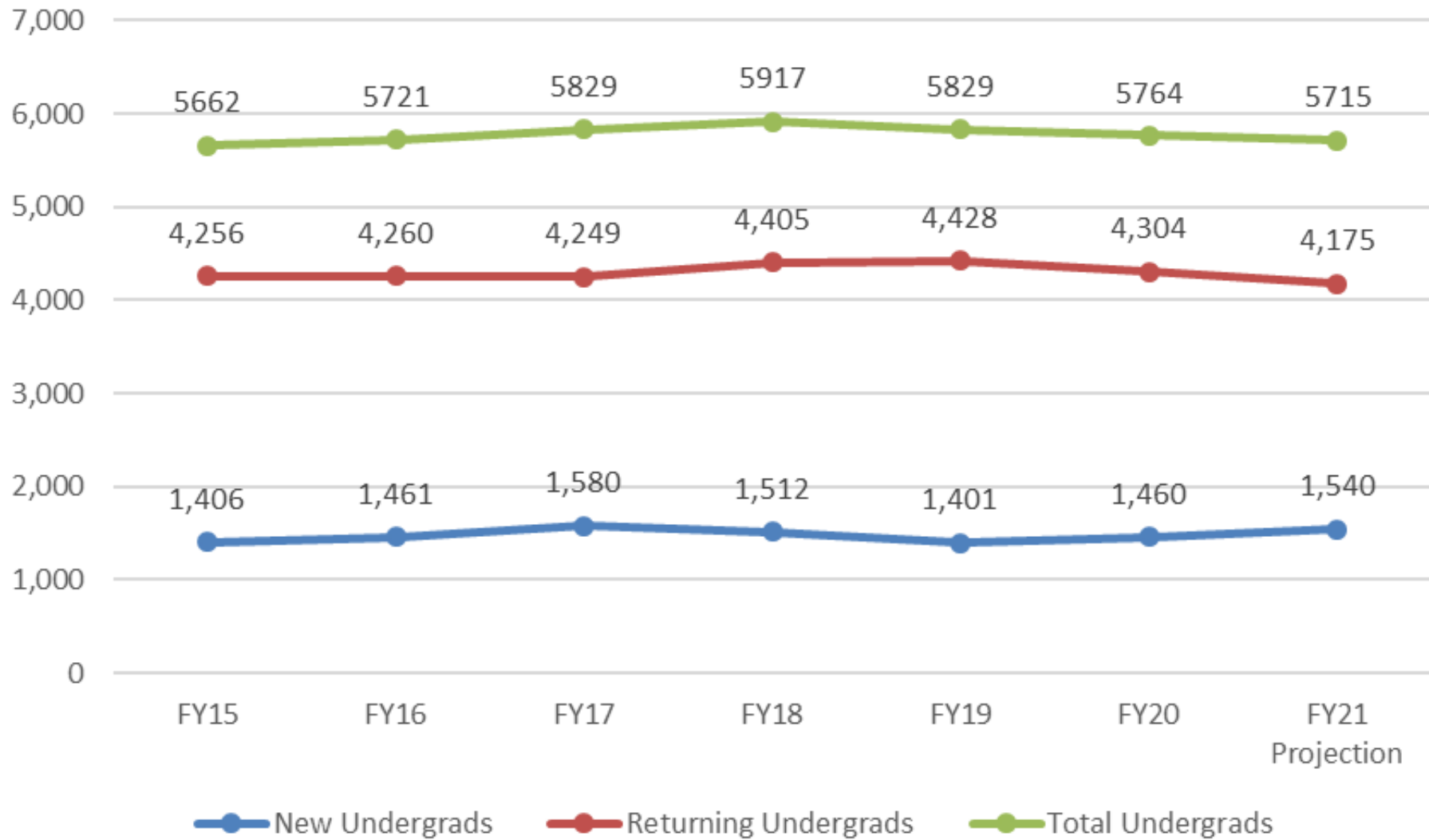


2/5/2020



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Undergraduate Enrollment



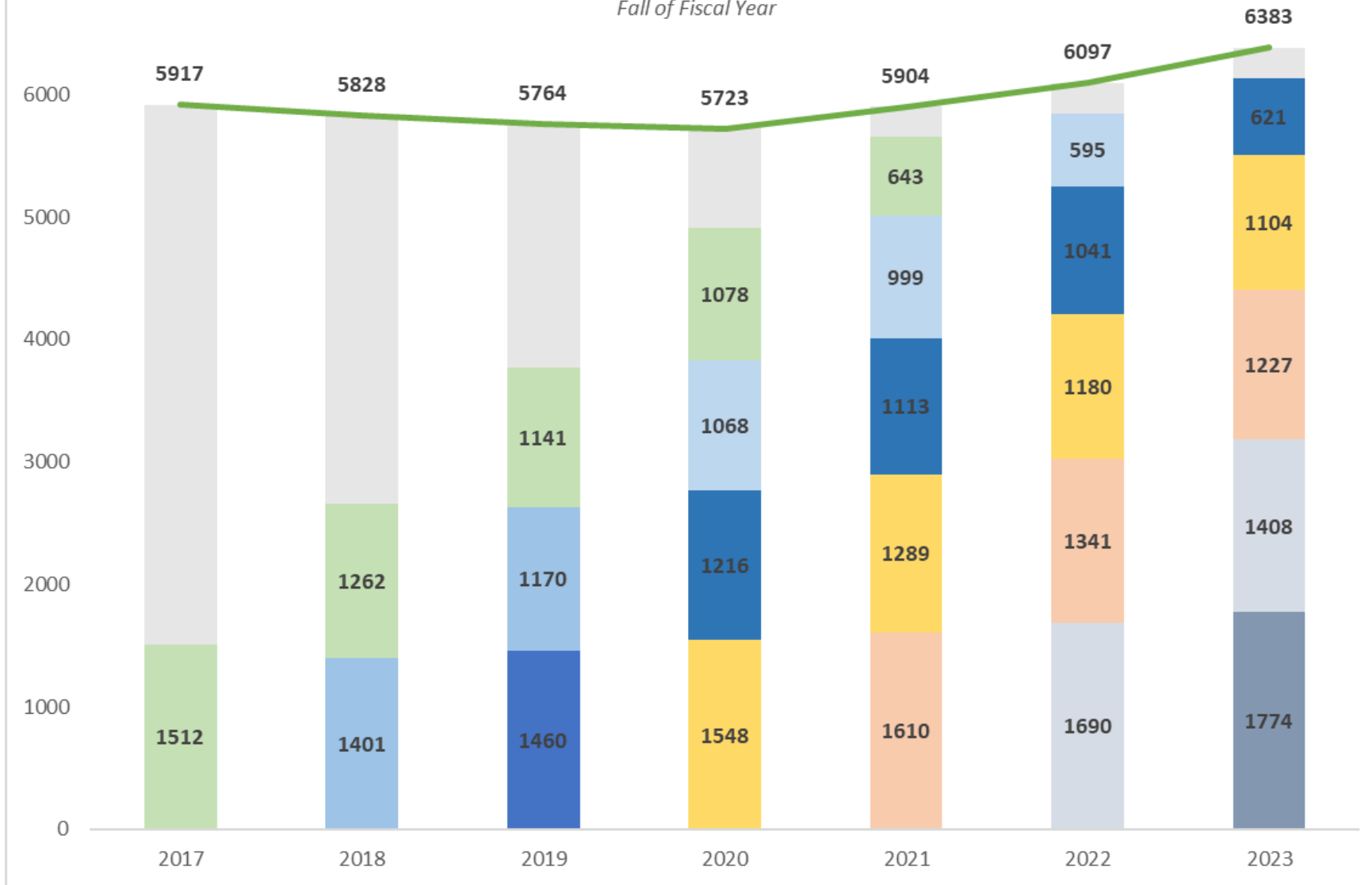
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Enrollment Tracking Via Cohort

Pro Forma Modeling
Fall of Fiscal Year

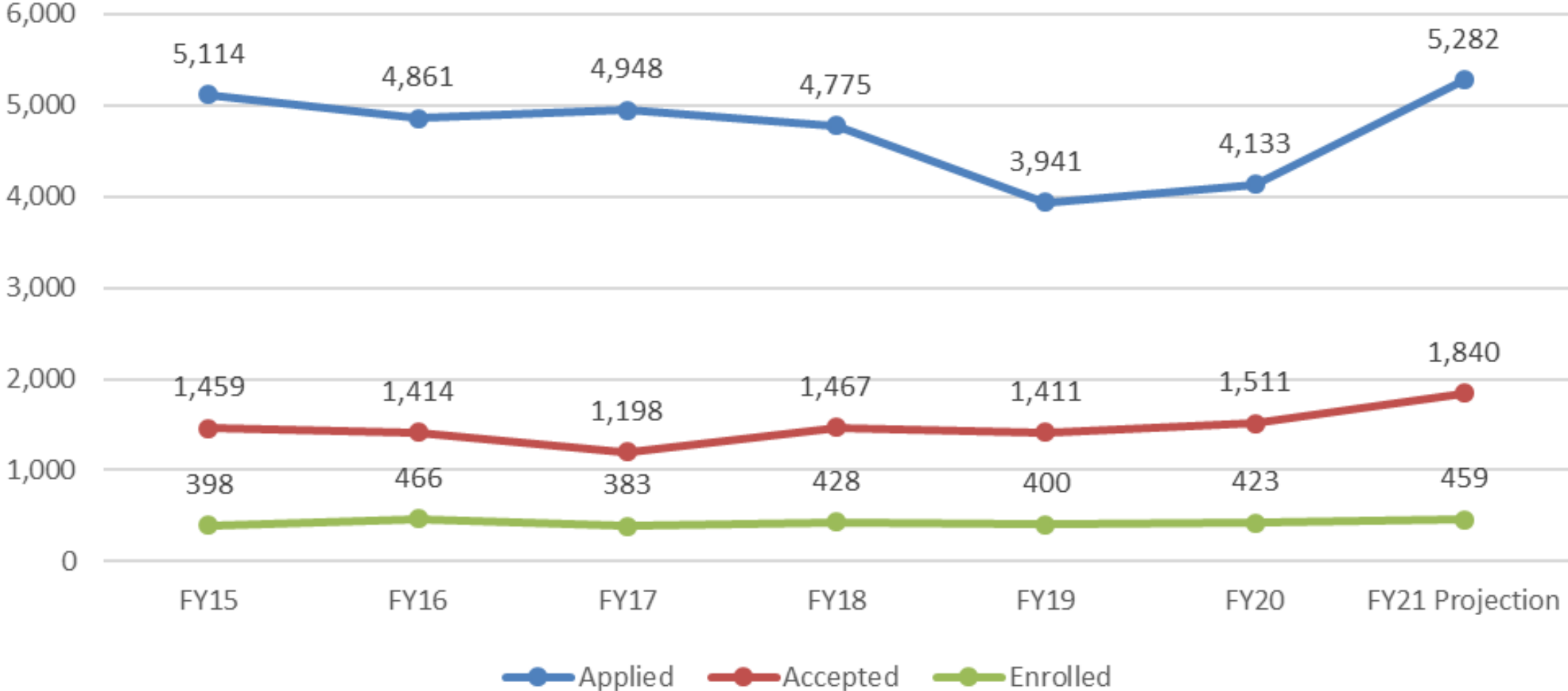


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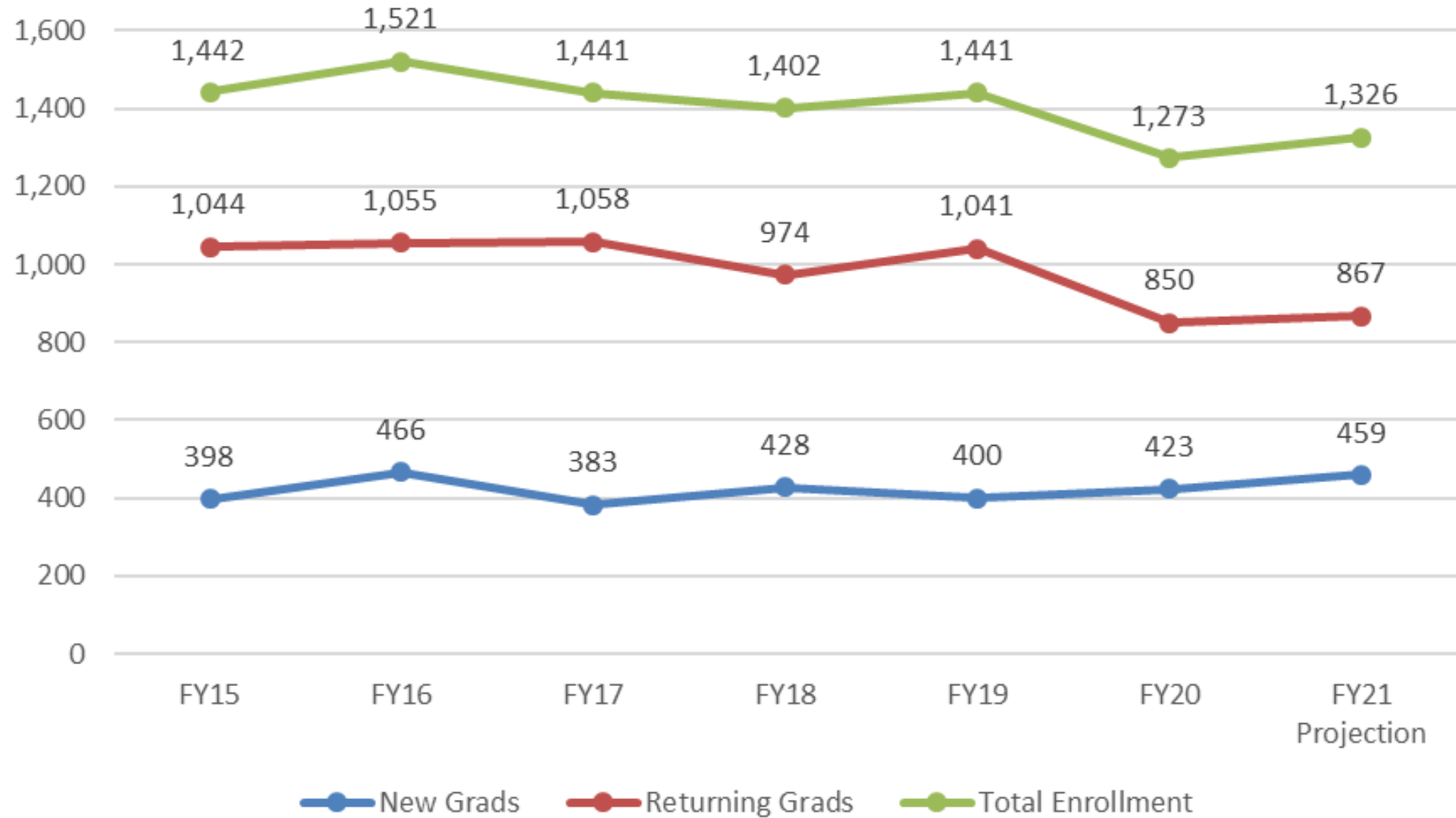


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GRADUATE STUDENT RECRUITMENT



GRADUATE STUDENT ENROLLMENT

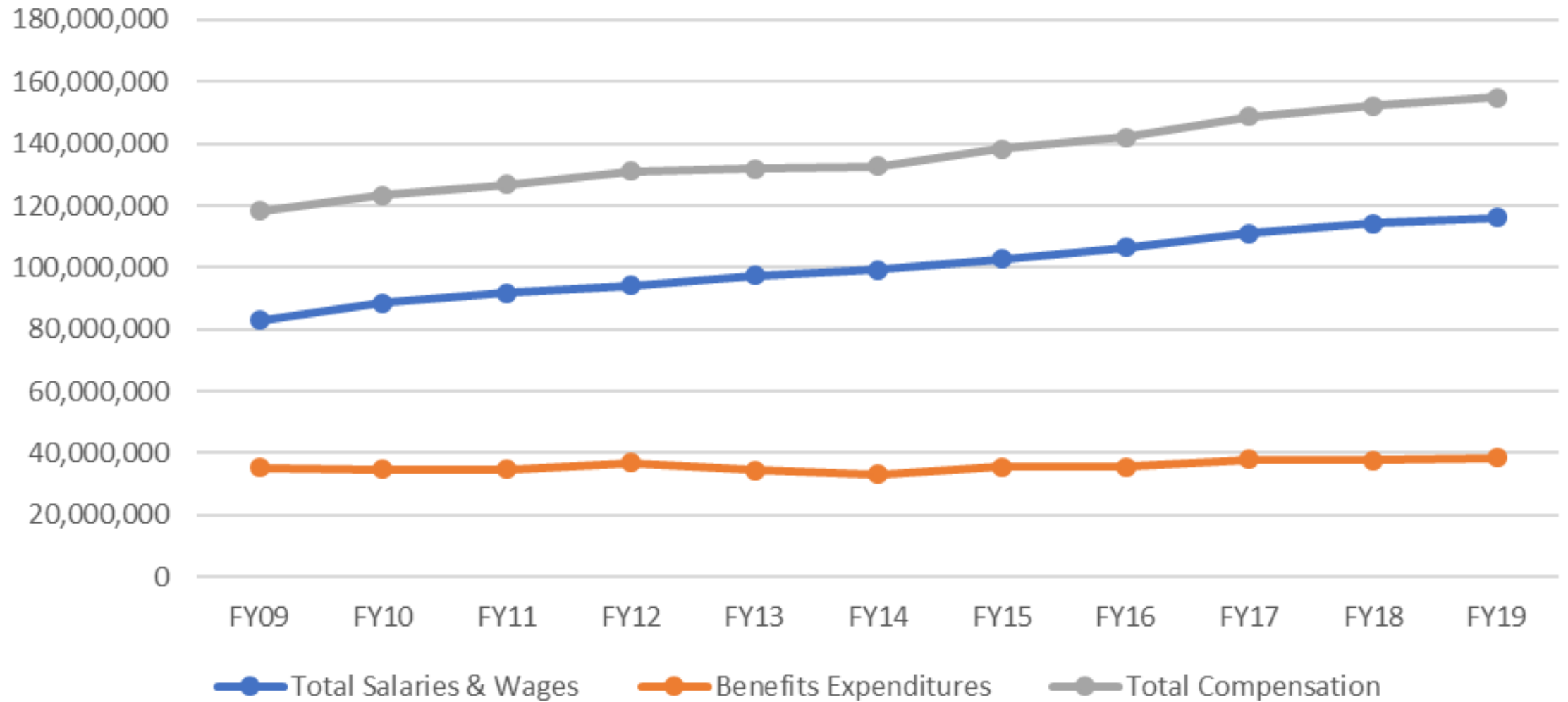


2/5/2020



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Total Compensation Expenditures



2/5/2020



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EXPENDITURE TRENDS

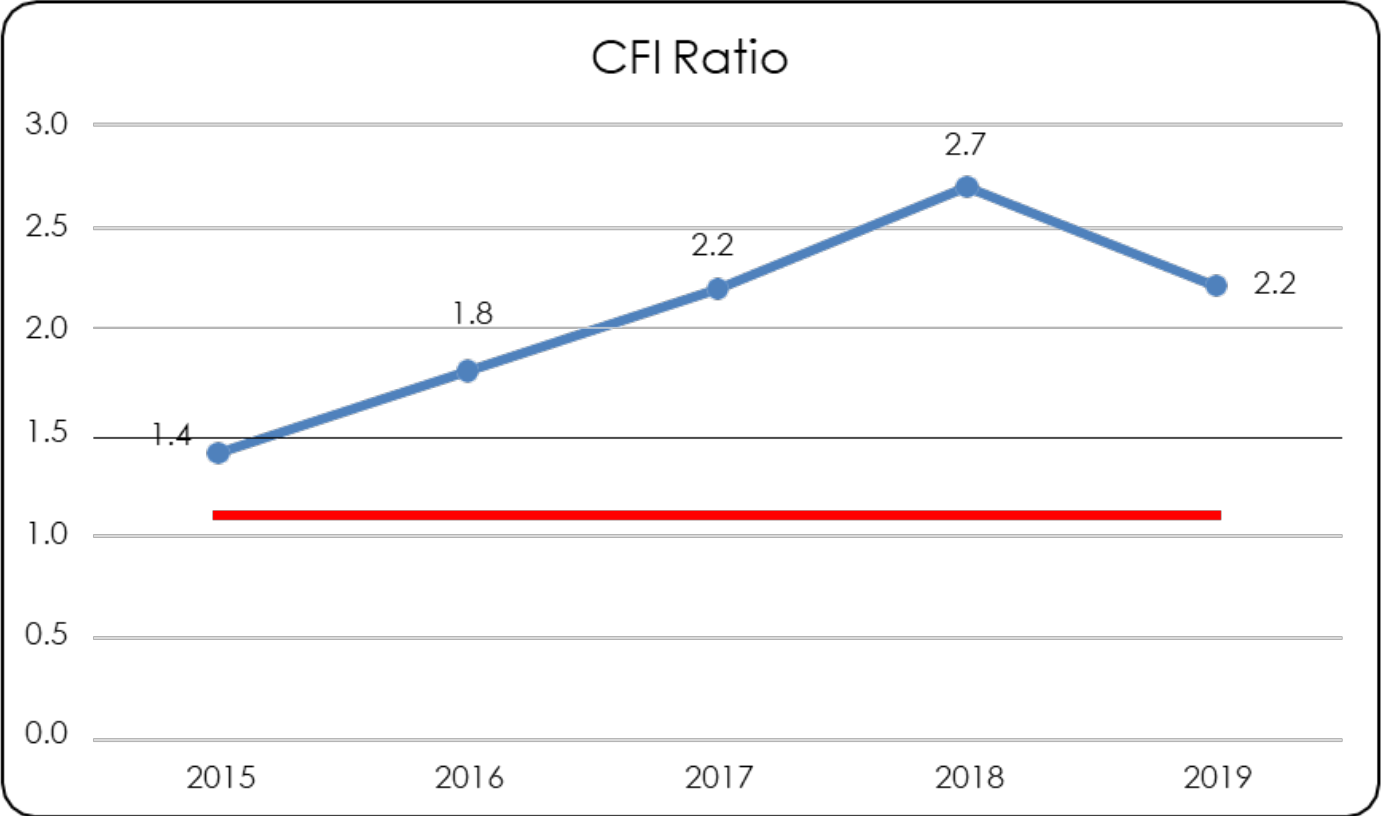
		<u>FY10</u>	<u>FY19</u>	<u>% CHANGE</u>
OPERATING EXPENSES	Salaries & Wages - Employee	88,604,455	116,191,504	31%
	Salaries & Wages - Students	13,842,821	16,792,557	21%
	Fringe Benefits	35,920,561	45,852,087	28%
	Supplies and Services	48,027,812	57,740,435	20%
	Scholarships and Fellowships	39,273,731	59,996,057	53%
	Utilities	8,421,166	6,790,677	-19%
Subtotal: OPERATING EXPENSES		234,090,546	303,363,317	30%
EXPENSES AS % TOTAL				
	Salaries & Wages - Employee	38%	38%	
	Salaries & Wages - Students	6%	6%	
	Fringe Benefits	15%	15%	
	Supplies and Services	21%	19%	
	Scholarships and Fellowships	17%	20%	
	Utilities	4%	2%	



Financial Health

- Composite Financial Index (CFI)
 - Primary Reserve Ratio – Sufficient Resources
 - Net Operating Revenue Ratio – Operating Results
 - Return on Net Assets Ratio – Financial Asset Performance
 - Viability Ratio – Debt Management
- Moody's Scorecard
 - Monthly days of cash on hand
 - Annual debt service coverage
 - Operating cash flow and debt to cash flow
 - Cash and investments to total debt and operating expenses

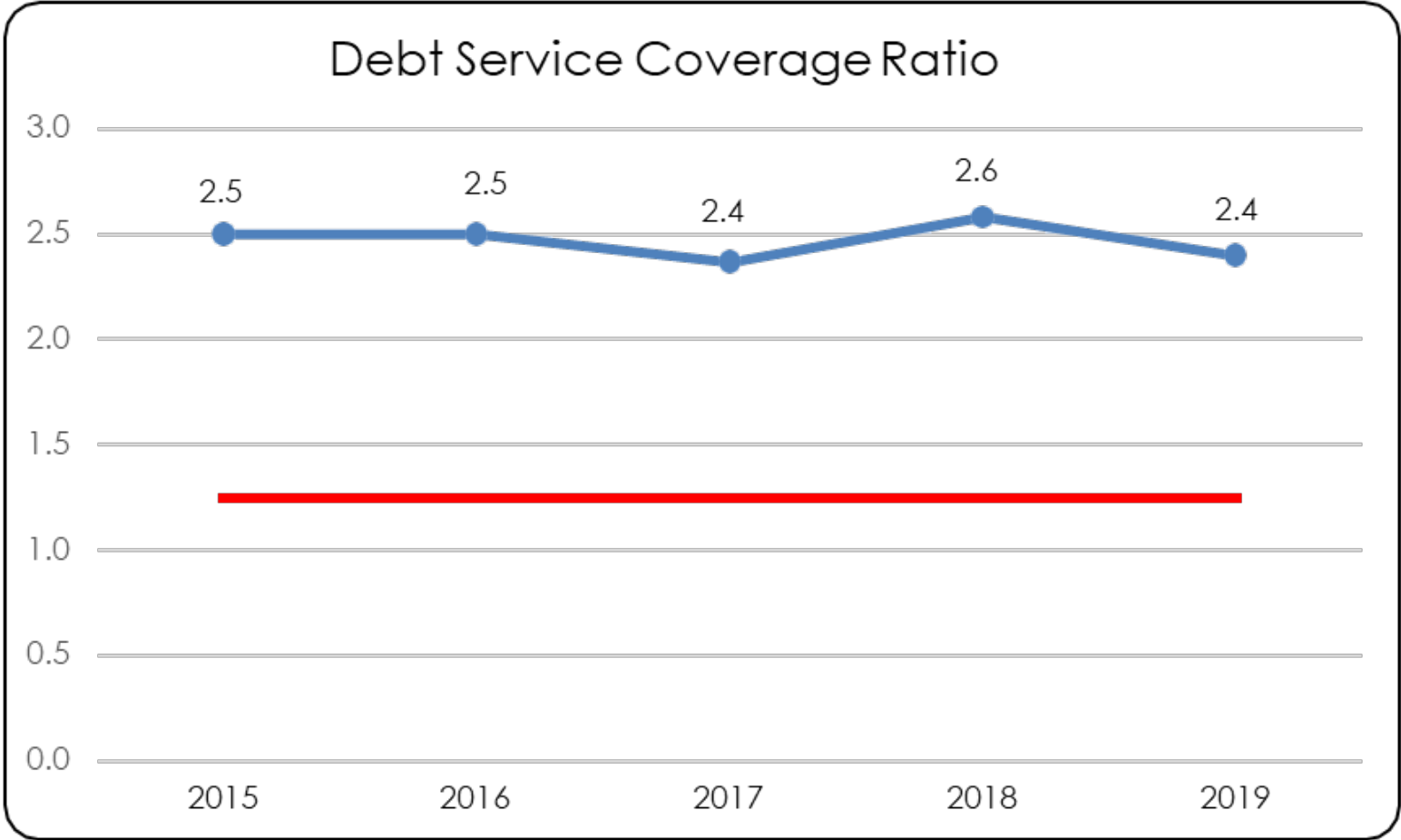
Michigan Tech Composite Financial Index (CFI)



The Higher Learning Commission considers amounts greater than or equal to 1.1 as "Above the Zone" which means no further action is required. Amounts less than 1.1 but greater than 0 are considered "In the Zone" and further review is required.



Michigan Tech Debt Metrics



Per debt guidelines, Debt Service Coverage Ratio should be greater than 1.25.



General Fund FY21 Preliminary Budget Planning Parameters

<i>REVENUES</i>	
Enrollment/Tuition	\$ 1,715,000
Other Revenue	(527,000)
Total Revenue Impact:	1,188,000
<i>EXPENDITURES</i>	
Faculty & Staff Salaries/Bene	(4,175,505)
Other Expenditures	(3,220,700)
Total Expenditure Impact:	(7,396,205)
<i>TOTAL</i>	(6,208,205)

Questions

2/5/2020



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