

## Assessment of Institutional Financial Condition

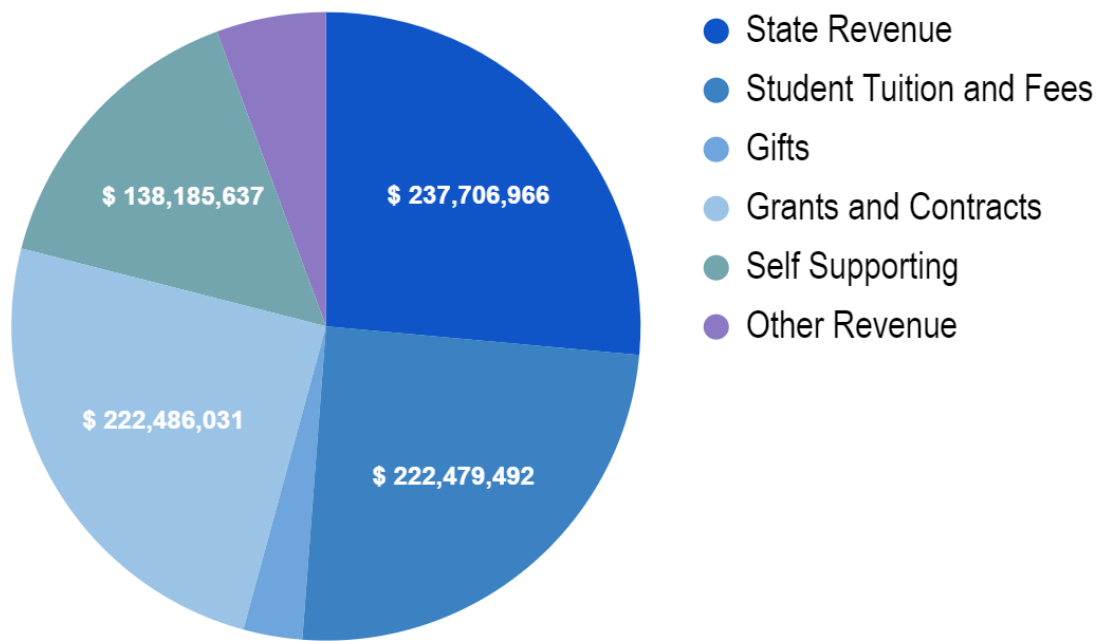
Despite numerous financial challenges over the past years, UNLV has managed its resources judiciously and responsibly and has remained financially stable based on key indicators of financial health and performance. UNLV’s resource planning group strives to manage limited resources in alignment with the Top Tier 2.0 Vision and Goals.

**Revenue Stability:** The pandemic resulted in significant financial challenges for the State of Nevada and substantial reductions in state appropriations revenues. The Higher Education Emergency Relief Fund authorized by the American Rescue Plan (ARP) enabled UNLV (and our sister institutions) to maintain stability. UNLV maintained stable enrollment through this period and has continued to grow its enrollment.

**Responsible Spend Management:** UNLV implemented measures, including hiring freezes and operational budget reductions, to manage costs during the pandemic. The institution was a strong supporter of implementing the full 12% COLA increases for our staff, which required additional spend management measures. However, these measures have placed some constraints on our ability to strategically invest in key initiatives that would enhance the campus and student experience. For example, UNLV plans to delay capital investments to accommodate the increased compensation costs.

### Sources of Revenue

#### UNLV Budget Sources FY23



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Revenues	FY19	FY20	FY21	FY22	FY23
State Revenue	\$ 237,017,385	\$ 246,268,220	\$ 203,898,328	\$ 234,506,231	\$ 237,706,966
Student Tuition and Fees	\$ 207,619,945	\$ 222,462,551	\$ 221,379,802	\$ 229,406,450	\$ 222,479,492
Gifts	\$ 26,118,262	\$ 24,418,698	\$ 23,510,568	\$ 23,113,466	\$ 27,229,151
Grants and Contracts	\$ 119,217,705	\$ 132,892,164	\$ 186,411,082	\$ 239,784,099	\$ 222,486,031
Self Supporting	\$ 146,608,134	\$ 132,122,010	\$ 92,976,591	\$ 138,159,129	\$ 138,185,637
Other Revenue	\$ 24,945,707	\$ (14,129,463)	\$ 84,762,982	\$ 24,769,260	\$ 50,672,555
<b>TOTAL REVENUES</b>	<b>\$ 761,527,137</b>	<b>\$ 744,034,180</b>	<b>\$ 812,939,353</b>	<b>\$ 889,738,636</b>	<b>\$ 898,759,832</b>

**Real Estate - Physical Infrastructure Enhancements (new buildings, land purchases)**

In 2020, UNLV completed its first Parking Master Plan, which was later updated in 2022. In 2021, UNLV received Board of Regents approval for the Maryland Campus Master Plan. The plan establishes a framework for both short-term (3-5 years) and long-term (7-10 years). Highlighted points include:

FY Start	FY End	Bldg	Activity	Bldg sf	Land sf	Est Project Cost Total
2020	2020	Gateway (GTW) 2nd Floor	Acquisition	21,913		\$ (6,221,941)
2020	2020	Gateway (GTW) 3rd Floor	Acquisition	21,808		\$ (5,889,885)
2021	2021	Church Spiritual Center	Acquisition	14,090	91,040	\$ (2,100,000)
2021	2021	Black Mtn Institute (BMI)	Disposition	1,668	4,792	\$ 340,000
2021	2021	Urban Water Conservation Coop	Disposition		435,600	\$ 4,000
2022	2022	PEF Building (MAB2)	Acquisition	36,893		\$ (8,420,000)
2022	2023	Rebel House Apts	Acquisition	40,946		\$ (7,200,000)
2022	2022	Runnin Rebel Plaza (MAB3)	Acquisition	38,356		\$ (8,000,000)
2022	2022	Briova	Acquisition	110,000		\$ (35,000,000)
2023	2024	Maryland Admin Bldg 2 PEF Bldg)	Acquisition	36,893		\$ (12,050,000)
2023	2023	Maryland Admin Bldg 3-B (La Plaza C)	Acquisition	28,468		\$ (6,500,000)
2023	2023	University Gateway Floors 1, 4-8	Acquisition	119,525		\$ (59,718,000)

Summary of real estate activities:

- 2021: physical and structural development and improvements on the Maryland campus.
- 2021: Created the UNLV Incubator at Howard Hughes Center for the Office of Economic Development to support aspiring student entrepreneurs.

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- 2021: Entered into a facility lease with a private developer, for space in a major development on Maryland Parkway, intended to expand services and community development in the UNLV University District area.
- 2021: An interdivisional task force converted 165 single fixture restrooms to all gender restrooms; 129 of these include baby changing stations.
- 2022: Completed the Tropicana Garage expansion which added approximately 760 spaces to the campus inventory. This project also realigned the road and crosswalk at the Northwest corner of the Tropicana Parking Garage, increasing pedestrian safety.
- 2022: Supported Medical Educational Building construction by acting as the campus liaison to ensure the building met standards for construction and furniture, fixtures, and equipment (FFE).
- 2022: Purchased four strategic properties that will support future campus growth: Runnin' Rebel Plaza, Public Education Foundation (PEF) Building, Rebel House Apartments, and the Briova building at UNLV Research & Technology Park.
- 2022: Commenced construction on the new Advanced Engineering Building at UNLV.
- 2022: Received Board of Regents approval to extend the lease of the Nathan Adelson Hospice on University Center Drive, on UNLV land, to support the continuing services and expansion of this community partner, and to continue academic and clinical connections between UNLV and the Nathan Adelson Hospice.
- 2022: Received Board of Regents approval for a collaboration between UNLV, the City of Las Vegas and a private developer for capital renewal, economic development and expansion of services at and around the UNLV Shadow Lane Campus.
- 2023: Completed the purchase of the remaining components of the University Gateway property on Maryland Parkway, and entered into a revenue generating master lease agreement for these property components.
- 2023: Completed an RFP for a ground lease for the UNLV 42 acre site at Tropicana Avenue and Deckow Lane, to enter into negotiations and approval processes to support economic development for Southern Nevada, and revenue generation from this asset for UNLV.

## Cash Balances

UNLV has been able to maintain responsible levels of cash balances. UNLV's cash balance of \$335M as of June 30, 2023 represented approximately 40% of operating expenses, within the target range established by institutional leadership of 30% - 50% of operating expenses. While cash balances may seem high, it is important to recognize that many of the resources are obligated or restricted for specific purposes.

## Analysis of Financial Statements

### Balance Sheet: Trends in assets, liabilities, cash balances, debt coverage

The overall net position of the university varied between fiscal year 2019 and fiscal year 2023 with a net increase of \$1.9 million over the 5 year period. Fiscal year 2020 fell by \$60 million as a result of the lost revenue over the start of the pandemic. Over the next two fiscal years the position steadily recovered. The recovery was supported by the return of state appropriations previously cut and funds from the federal government (CARES and ARPA).

University assets increase 14.7% over the five year term. Some significant components include an increase in capital assets of 183 million or 19.3%. The purchase of key properties to expand the campus footprint in accordance with the master plan. Recent purchases include the acquisition of the Rebel Plaza (4530 - 4550 Maryland Parkway) and 777 Harmon Ave (Rebel House).

Short-term investments averaged a 6% increase in fiscal years 2019 through 2022. There was a large decrease in fiscal year 2023 of 19.7% due to a withdrawal of funds based on a system decision to rebalance the allocations between short-term investments and cash, based on discussions with consultants. It was determined that short term investments were funded well above the liquidity needed to cover the expected daily cash requirements of the System.

Liabilities also increased 29.9%. This was mainly due to the implementation of changes in accounting principles on leases and subscriptions based on Governmental Accounting Standards, requiring any long-term contracts to be recognized as liabilities. The university's bond obligations, pledged by revenues from special event facilities and certain fees, has remained fairly stable fluctuating between 8.30 and 8.88 dollars in pledged revenues to every one dollar in annual debt service. Typically a ratio of 2:1 is considered adequate.

### Income Statement: Trends in tuition & fee revenue, state funding, investment income, philanthropy

Net income has fluctuated over the past five fiscal years due to the unpredictability of the pandemic, investment income, and auxiliary revenue. Rising costs of goods, services, and compensation resulted in increased operating expenses of 14.7%. Most notably due to a 12.1% increase in compensation and benefits as a result of an employee headcount increase of 6.5%.

- Faculty and Administrative Faculty positions increased by 366 individuals. Operating revenues increased by 7.4%, most notably due to an increase in tuition and fees and grants and contracts.
- Gradual increases year over year in student registration fees have contributed to an overall increase of 7.2% in tuition and fee revenue.

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- Grants and contracts revenue has increased over 63.8% in the past five years after obtaining a R1 research designation in 2018.

Other data points that we can induce

- Detailed breakdown of sources and uses
- Employee headcount trend (included in DRI report)
- Gift/endowment
- Debt services
- Note about HEERF grants and special distribution
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