





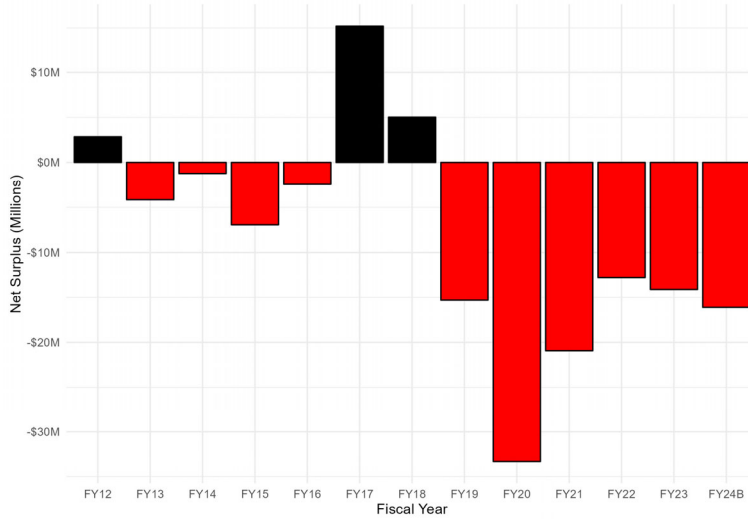
Fiscal Overview

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Net Surplus (Deficits) FY12 – FY24 Budget

Northern Kentucky University Net Surplus FY12 through FY24 Budget
Source: IPEDS (FY12-FY21); Annual Report and Budget Book FY22-FY24

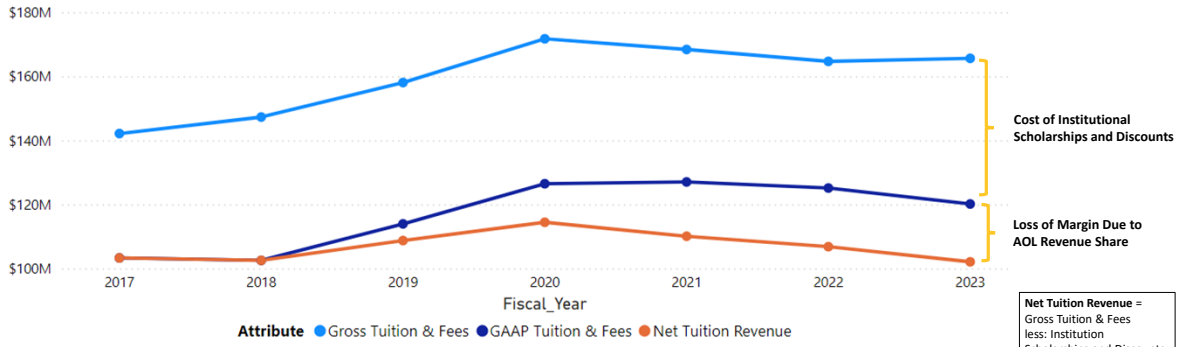


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Tuition & Fees, Scholarships, Discounts, and Cost of Revenue

Gross Tuition & Fees, Compared to GAAP Tuition & Fees, Net Tuition Revenue



Attribute	2017	2018	2019	2020	2021	2022	2023
Gross Tuition & Fees	\$142,138,281	\$147,287,851	\$158,065,092	\$171,724,110	\$168,388,963	\$164,676,940	\$165,625,717
GAAP Tuition & Fees	\$103,310,801	\$102,536,795	\$113,948,483	\$126,477,184	\$127,035,250	\$125,128,612	\$120,148,309
Net Tuition Revenue	\$103,310,801	\$102,536,795	\$108,722,855	\$114,444,349	\$110,076,924	\$106,823,284	\$102,095,305

Net Tuition Revenue =
Gross Tuition & Fees
less: Institution
Scholarships and Discounts
less: Cost of Revenues (AOL
Revenue Share)

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NTR lower in 2023 compared to 2017

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Net Surplus (Deficit)

FY23 12 Months Actual, and Year-To-Date March 31, 2024 compared to prior year-to-date

All Funds	FY23 Actual	FY23 YTD	FY24 YTD	Variance (YTD)
Revenues				
State Appropriations	\$63,611,000	\$50,888,800	\$51,945,100	\$1,056,300
State Appropriations, Capital	\$2,297,887	\$977,434	\$2,535,426	\$1,557,992
Net Tuition Revenue	\$102,095,305	\$101,576,770	\$102,738,589	\$1,161,819
Other Revenue	\$11,660,951	\$10,345,384	\$11,042,833	\$697,449
Grants and Contracts	\$12,518,881	\$8,839,663	\$9,890,702	\$1,051,039
Financial Aid, Net	(\$98,575)	(\$52,236)	(\$308,876)	(\$256,641)
Investment Income	\$6,180,782	\$4,014,502	\$5,885,410	\$1,870,908
Loss on Disposals	\$185,005	(\$501,571)	(\$1,400,568)	(\$898,997)
Rent Revenue	\$11,565,254	\$10,245,012	\$10,481,069	\$236,056
Total	\$197,852,588	\$186,333,759	\$192,809,684	\$6,475,925
Personnel Expenses				
Administrative Salary and Wages	\$54,830,743	\$41,037,682	\$38,637,105	(\$2,400,576)
Faculty Salary and Wages	\$57,553,908	\$43,604,526	\$40,223,531	(\$3,380,995)
Faculty Overload	\$412,583	\$333,698	\$353,756	\$20,058
Part-Time Faculty Salary and Wages	\$6,669,901	\$5,608,232	\$4,876,181	(\$732,050)
Student Wages	\$4,446,171	\$3,167,983	\$2,693,935	(\$474,048)
Benefits	\$18,160,905	\$16,213,858	\$14,970,501	(\$1,243,357)
Retirement	\$20,403,242	\$15,361,279	\$14,312,314	(\$1,048,965)
Total	\$162,477,454	\$125,327,258	\$116,067,324	(\$9,259,934)
Operating Expenses				
Advertising	\$1,831,865	\$1,304,692	\$1,047,624	(\$257,067)
Capital and FFE Expenditures	\$5,488,803	\$3,508,568	\$7,655,933	\$4,147,365
Communications	\$3,103,455	\$4,469,329	\$2,784,438	(\$1,684,892)
Contracted Services	\$10,432,924	\$7,197,358	\$6,288,587	(\$908,771)
Depreciation and Amortizations	\$22,710,397	\$15,217,757	\$16,246,414	\$1,028,657
Maintenance	\$4,931,195	\$3,248,403	\$1,846,576	(\$1,401,827)
Other Expenses	\$4,521,135	\$10,963,500	\$8,658,478	(\$2,305,022)
Supplies	\$9,251,229	\$7,543,592	\$7,471,493	(\$72,099)
Travel & Sustenance	\$2,067,934	\$1,549,452	\$1,593,790	\$44,338
Utilities	\$6,085,432	\$4,294,019	\$4,025,863	(\$268,156)
Total	\$58,227,015	\$59,296,669	\$57,619,196	(\$1,677,473)
Transfers	(\$0)	\$0	\$0	\$0
Net Surplus	(\$23,593,881)	\$1,709,832	\$19,123,165	\$17,413,333

FY24 Financial Review

Net Tuition Revenue is presented as gross student tuition and fees, less discounts and cost of revenues (AOL revenue share).

Through March 31, 2024, the University generated significant increases in unrestricted revenue compared to FY23 via state appropriations, net tuition revenue, and investment income.

Through March 31, 2024, the University achieved significant reductions in the rate of expenditures, primarily by reducing salary and wages through the repositioning plan.

We continue to see similar results when April and May are included.

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FY24 Cash Flow Analysis and Forecast

Cash Flow (YTD) has improved compared to FY23, primarily due to reductions in Cash Flow for expenditures (Personnel and Vendor payments).

Cash Receipts from state appropriations and investment income offset decreased cash flow from tuition and fees.

FY24 Year-end cash and equivalents will be negative due to the seasonality of enrollment. Timing of summer semester financial aid, capital expenditures, and accounts payable will impact year-end cash. Seasonal reductions in cash flow will be mitigated by lower personnel related disbursements compared to FY23.

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Cash and Equivalents

amounts in thousands

	FY23	FY24	Variance
Cash and Cash Equivalents July 1	\$ 130,102	\$ 98,066	\$ (32,036)
Receipts			
Tuition and fees	\$ 109,774	\$ 103,835	\$ (5,939)
General Appropriations	\$ 50,889	\$ 51,945	\$ 1,056
Capital Appropriations	\$ 1	\$ 2,535	\$ 2,534
Grants (includes Fin Aid)	\$ 34,986	\$ 35,873	\$ 887
Auxiliary	\$ 11,516	\$ 10,791	\$ (725)
Investment income	\$ 3,696	\$ 5,424	\$ 1,728
Other	\$ 11,051	\$ 11,759	\$ 708
Total Receipts	\$ 221,913	\$ 222,162	\$ 249
Disbursements			
Personnel	\$ (120,749)	\$ (111,764)	\$ 8,985
Vendor payments-Academic Partnerships	\$ (12,454)	\$ (12,221)	\$ 233
Vendor payments-Students and AP	\$ (73,625)	\$ (64,067)	\$ 9,558
Debt service payments	\$ (25,144)	\$ (19,777)	\$ 5,367
Other	\$ -	\$ (1,600)	\$ (1,600)
Capital assets	\$ (6,007)	\$ (11,182)	\$ (5,175)
Total Disbursements	\$ (237,979)	\$ (220,611)	\$ 17,368
Cash and Cash Equivalents March 31	\$ 114,036	\$ 99,617	\$ (14,419)
Change from July 1 to March 31	\$ (16,066)	\$ 1,551	\$ 17,617
Year-end FY23 Actual/FY24 Forecast	\$ 98,066	\$ 84,222	\$ (13,844)

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FY25 Unrestricted Budget

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University Mission

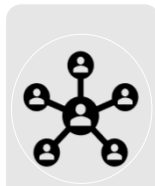
Northern Kentucky University delivers innovative, student-centered education and engages in impactful scholarly and creative endeavors, all of which empower our graduates to have fulfilling careers and meaningful lives, while contributing to the economic, civic, and social vitality of the region.

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FY25 Budget Process

Budget Development



Repositioning Plan

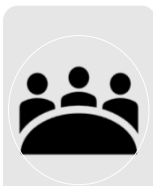
- Oct. 6 2022 Presentation to campus
- Oct. 10-Nov 7 2022; small group listening sessions
- Nov. 9, 2022 BOR meeting, revised FY23 Budget
- June 14, 2023; BOR approved FY24 budget
- July 1; FY24 budget and 1st day of operations of any new organizational structures approved by board

July-Oct



- Begin to develop assumptions
- President's campus budget communication
- Develop department revenues
- Develop fixed Cost
- Development Tuition & Fee recommendations
- Develop priorities

Nov-Jan



- Review budget priorities with budget committees
- Solicit input from campus constituents on tuition and fee recommendation
- Divisions develop recommendations
- President's Cabinet reviews tuition, fees, and division budget recommendations
- President's approval

Jan-March



- Finance Committee Recommendation
- Board of Regents approval

June

Execution



- Load budget
- FY25 Operations Utilizing the Budget Starts

June – July

Evaluation



- Assessments
- Monthly, quarterly, annual reporting

Ongoing



Finance Committee Recommendation

The Finance Committee reviewed the FY25 Unrestricted Budget and voted to recommend that the Board of Regents approve the budget as presented.

The Budget achieves a structural operating surplus and authorizes the University to utilize up to \$4.8M of net position for Non-Recurring Institutional Scholarships and Discount expenses.



FY25 Budget Progression

- FY23 Actual Deficit (all Funds): (\$23.6M)
- FY24 Budget Deficit (Unrestricted): (\$16.1M)
 - FY24 Budget Deficit (Unrestricted Recurring Only): (\$9.6M)
- FY25 Unrestricted Draft Budget March BOR Presentation
 - “Recurring” Draft Budget Deficit as Presented to BOR (\$2.8M)
 - “Non-Recurring” Draft Budget Deficit (\$4.9M)
- FY25 Unrestricted Budget Final as Presented for Vote (\$4.8M)
 - FY25 Budget Recommended by Finance Committee via resolution May 30, 2024



Key Budget Assumptions: Revenues

- Tuition and Fee Revenue Assumptions
 - In-person enrollment is projected to decline in FY25
 - AOL enrollment is projected to increase in FY25
 - 2% undergraduate tuition increase (5% over 2 years as allowed by statute)
 - AOL new undergraduate scholarship adjusted to net \$320 per credit hour
 - AOL returning undergraduate scholarship adjusted to net \$305 per credit hour
 - Net Tuition Revenue Presented net of Cost of Revenue/AOL Revenue share
- State Appropriations
 - +\$4,532,300 compared to FY24
- Other Revenue Notes
 - 5.9% housing/board rate increase
 - Season Ticket Seat Equity Program

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Net Tuition Revenue

Net Tuition Revenue FY23 Actual, FY24 Budget, FY25 Budget

Gross Tuition & Fees	FY23 Actual	FY24 Budget	FY25 Budget
Tuition Undergraduate	\$98,429,699	\$100,773,712	\$95,492,996
Tuition AOL Graduate	\$30,551,167	\$30,794,699	\$36,260,855
Tuition AOL Undergraduate	\$8,770,652	\$9,770,281	\$11,346,815
Student Fees	\$8,540,981	\$8,189,900	\$10,456,607
Tuition Law	\$10,047,027	\$9,947,419	\$9,947,419
Tuition Graduate	\$9,286,192	\$5,388,617	\$5,186,363
Total Gross Tuition & Fees	\$165,625,717	\$164,864,628	\$168,691,055
Institutional Scholarships & Discounts (Recurring)	\$45,477,408	\$36,237,254	\$35,428,387
Non-Recurring Scholarships & Discounts		\$6,458,128	\$4,896,250
Cost of Revenue (AOL Revenue Share)	\$18,053,004	\$18,541,000	\$21,290,128
Scholarships, Discounts, Revenue Share	\$63,530,412	\$61,236,382	\$61,614,765
Net Tuition Revenue	\$102,095,305	\$103,628,246	\$107,076,290

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State Appropriations

	FY24	FY25
General State Appropriations	\$50,923,600	\$54,915,500
KCM Program Funding	\$1,323,900	\$1,323,900
Performance Funding	\$12,683,900	\$13,224,300
TOTAL	\$64,931,400	\$69,463,700

FY25 General State Appropriations include \$1.9M of funding to offset state insurance rate increases



Key Budget Assumptions: Expenses and Transfers

- Total personnel expenses decreased due to the Repositioning Plan, net of new salaries and wages for sports expansion
 - Salary and wage rate increases are not planned for FY25
- Fringe benefits are adjusted due to the change in headcount net of actual and expected health insurance rates
- Operating expenses increased due to inflation and increasing insurance expenses
 - Fire and tornado increases offset by state appropriations
 - Other Operating Expenditure increases are primarily due to lab and instructional costs offset by changes to fees
- Transfers increased compared to FY24 Budget for IT upgrades and housing debt service (net of refunding)



Fiscal Year 2025 Draft Budget (Unrestricted)

	FY23 Actual (6/30/23)	Finance Committee Recommendation
Revenue		
Tuition and Fees - Resident	\$ 65,944,081	\$ 67,164,549
Tuition and Fees - Non-Resident	52,790,465	53,767,491
Tuition and Fees - Accelerated Online	46,891,171	47,759,015
<i>Gross Tuition and Fees:</i>	<i>165,625,717</i>	<i>168,691,055</i>
Less: Recurring Institutional Scholarships & Discounts	45,477,408	35,428,387
Less: AOL Cost of Revenues	18,053,004	20,479,000
Less: Non-Recurring Institutional Scholarships & Discounts	0	4,896,250
<i>Total Scholarships, Discounts and Costs of Revenue:</i>	<i>63,530,412</i>	<i>60,803,637</i>
Net Tuition Revenue	102,095,305	107,887,418
State Appropriations	63,611,000	69,463,700
Sales and Services	2,854,111	5,207,544
Other Revenues	15,212,732	15,068,825
Auxiliary Revenues	11,565,254	15,999,526
Total Revenue:	\$ 195,338,402	\$ 213,627,013
Expense and Transfers		
Salary and Wages	\$ 116,109,354	\$ 104,026,197
Fringe Benefits	37,040,524	33,713,124
Contracted Services	8,672,546	9,172,469
Operating	26,105,566	36,180,020
Utilities	6,077,003	7,412,281
Capital	1,678,107	3,427,886
Student Financial Aid (Reclassified as NTR above)	0	0
Transfers	23,705,789	24,495,036
Total Expenses and Transfers:	\$ 219,368,689	\$ 218,427,013
Addition to (Use of) Net Position:	\$ (24,050,487)	\$ (4,800,000)

Unrestricted Funds only. Recurring and Non-Recurring Accounts

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FY25 Draft Budget Compared to FY23 Actual

Finance Committee Recommendation
Compared to FY23 Actual (Unrestricted):

- Net Tuition Revenue increased due to net impact of enrollment and fees, also due to reducing institutional scholarships (net of AOL revenue share)
- State Appropriations Increased
- Auxiliary Revenue Increased
- Significant decrease in personnel expenses due to repositioning
- Operating Expense increases are manageable



FY25 Budget Conclusion

- The Administration supports the Budget as recommended by the Finance Committee
- The structural budget (excluding non-recurring scholarships and discounts) is balanced.
 - FY24 Budget deficit (excluding non-recurring) was \$9.6M
- FY24 Actual is improved compared to Budget due to the Repositioning Plan
- Administration is committed to controlling costs
- Enrollment/Net Tuition Revenue is the most important factor that will impact how we manage the FY25 Budget

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THANK YOU

