








# March 2023 Governance and Finance Committee Meeting

<b>Schedule</b>	Wednesday, March 1, 2023 9:00 AM — 9:30 AM CST
<b>Venue</b>	Maxine A. Smith University Center - Bluff Room (304)
<b>Organizer</b>	Sparkle Burns

## Agenda

1. Call to Order and Opening Remarks Presented by Doug Edwards	1
2. Roll Call and Declaration of Quorum Presented by Melanie Murry	2
3. Approval of Meeting Minutes for December 9, 2022 For Approval - Presented by Doug Edwards	3
 GF Dec 9 2022 Meeting Minutes.docx	4
4. FY2024 Capital Budget including Outlay, Maintenance and Disclosure For Approval - Presented by Raajkumar Kurapati and Tony Poteet	10
 Agenda Item - Capital Budget.docx	11
 Capital Budget.pptx	13
5. FY22 Annual Financial Audit Report Presentation - Presented by Raajkumar Kurapati	29
 Agenda Item -2022 Annual Financial Audit Report.docx	30
 FY22 Annual Financial Audit Report.pptx	31
6. Tigers SmartStart Update Presentation - Presented by Raajkumar Kurapati	49
 Agenda Item - Tigers SmartStart Update.docx	50
 Tigers SmartStart Update.pptx	51
7. Additional Business	54

8. Adjournment	55
Presented by Doug Edwards	

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# 1. Call to Order and Opening Remarks

Presented by Doug Edwards



## 2. Roll Call and Declaration of Quorum

Presented by Melanie Murry



### 3. Approval of Meeting Minutes for December 9, 2022

For Approval

Presented by Doug Edwards

**University of Memphis Board of Trustees  
Governance and Finance Committee Meeting  
December 9, 2022**

The Governance and Finance Committee of the University of Memphis Board of Trustees met at 8:48 a.m. CDT on Friday, December 9, 2022, in-person at the Scheidt Family Performing Arts Center and virtually using the Zoom video conferencing system.

**I. Call to Order/Roll Call/Declaration of Quorum/Introduction**

Chairman Doug Edwards presided over the meeting.

University Counsel and Board Secretary Melanie Murry called the roll and confirmed the following Governance and Finance Committee members were present (and alone if remote):

Trustee Alan Graf (attended virtually; at 9:40 a.m. confirmed he was alone and could hear)

Trustee Cato Johnson

Trustee Marissa Clark

Trustee David Kemme

Trustee David North

Chairman Doug Edwards

Trustee Susan Springfield

Secretary Murry acknowledged two additional trustees who were in attendance: Trustee Carol Roberts and Trustee David McKinney

Secretary Murry announced the presence of a quorum.

Members of the University of Memphis Board Trustees, faculty and administrative staff were present during the meeting.

**II. Approval of Meeting Minutes for September 7, 2022**

Chairman Edwards requested a motion for the approval of the September 7, 2022, Governance and Finance Committee minutes. The motion was made by Trustee Johnson and properly seconded. No discussion. A roll call vote was taken, and the motion carried.

**III. Agenda Item 4: Housing Rate Adjustment**

Chairman Edwards recognized Executive Vice President and Chief Operating & Financial Officer (EVP-COO/CFO), Raaj Kurapati, who presented a request to the board to adjust housing rates. EVP-COO/CFO Kurapati began with an overview of the benefits of on-campus housing and addressed actions taken over the previous five years related to finances and housing occupancy. He shared the 3.5% proposed rate increase would keep the University competitive with peers, allow an opportunity to maintain reserves while also providing resources for product support and student services. He reminded the Board there had been

no rate increase since Fall 2017 and mentioned the proposed increase would result in \$530,000 in net revenue.

Trustee North inquired about the percentage of students residing in on-campus housing. EVP-COO/CFO Kurapati responded roughly 15% of undergraduates live on campus. Trustee North implored the board and committee to think objectively for the strategic plan and asked President Hardgrave & EVP-COO/CFO Kurapati to determine the targeted goal for the future. Additional discussion ensued.

Chairman Edwards noted statistically those who live on campus are more likely to graduate.

Trustee Johnson asked if EVP-COO/CFO Kurapati is confident that the University is utilizing best practices to take the University to the next level as it relates to housing. EVP-COO/CFO Kurapati responded that as facilities are aging, Park Avenue campus is critical to the immediate and growing needs and it is also important to reinvest in properties currently offered.

Trustee McKinney requested the committee to review the impact of the 2017 rate increase. EVP-COO/CFO Kurapati said he would obtain that information.

Trustee Springfield commented that off-campus housing can be considered competition yet is equally needed and asked for a follow-up on how the university thinks about this. With President Hardgrave's approval, EVP COO/CFO Kurapati stated he will provide a more comprehensive look at the housing stock as well as what is complemented in off-campus housing.

Trustee Kemme mentioned the increase was modest and he would entertain a greater increase in order to generate funds to build high quality on-campus housing. He asked about housing for the growing international student population. EVP-COO/CFO Kurapati stated of the 200 beds leased in off-campus housing, 90% are occupied by international students.

Chairman Edwards called for a motion to approve the 3.5% increase in the student housing rate for Fall 2023. The motion was made by Trustee Johnson and seconded by Trustee North. A roll call vote was taken by Secretary Murry and the motion carried.

#### **IV. Agenda Item 5: Bookstore – Tigers SmartStart Update**

Chairman Edwards acknowledged EVP-COO/CFO Kurapati to provide an update on the Tigers SmartStart program. EVP-COO/CFO Kurapati reminded the Board of Barnes & Noble (B&N) selection as the new partner, shared progress of the transition from Follett to Barnes and Noble and commended colleagues across campus who assisted in the implementation of the program for Spring 2023.

EVP-COO/CFO Kurapati noted the Tigers Smart Start opt-in program was recently made available to students and 500 opt-in confirmations were received within 24 hrs. Students have the option to opt out of the program. EVP-COO/CFO Kurapati also noted the book adoption platform had the highest rate (94%) of book adoptions of any year which is important for the success of the program.

Trustee Springfield asked for the reason(s) why some faculty may not have adopted the material. Interim Provost, Dr. Abby Parrill-Baker answered that new sections were still being added by professors, which results in an expected lag.

Trustee Kemme added that from a faculty perspective, Tigers SmartStart is a clear, easy adoption program.

Chairman Edwards inquired if there was anything B&N cannot do in terms of course material. Interim Provost Parrill-Baker answered that they are discovering things they can work on. Both Interim Provost Parrill-Baker and EVP COO/CFO Kurapati stated B&N is a great partner.

Trustee Kemme posed the question of store location as it is not exposed to the public. EVP-COO/CFO Kurapati stated that while not ideally located, there is a need to provide information to the community as well as offer merchandise to attract people to campus.

EVP-COO/CFO Kurapati addressed textbook scholarships opportunities to encourage enrollment.

Trustee Clark asked if they've accounted for the many online options students can use for textbooks, i.e., Amazon, ThriftBooks etc. EVP-COO/CFO Kurapati reported a lot of sites break copyright laws, so this program legally balances low costs.

Acknowledgements were given by Trustee North to faculty and to EVP-COO/CFO Kurapati and his team.

Vice President, Student Academic Success, Dr. Karen Weddle-West, reported the highest rate of freshmen registrations is tied to the 75 textbook scholarships initiative.

## **V. Agenda Item 6: Revised Annual Budget**

Chairman Edwards yielded to EVP-COO/CFO Kurapati to present the revised budget. EVP-COO/CFO Kurapati provided a brief overview of the budget process and mentioned the revised budget summarizes the adjustments which reflect the enrollment experience and adjusts for any changes in state support which were unaccounted in the original budget.

EVP-COO/CFO Kurapati addressed enrollment challenges and provided an overview of enrollment by class, noting a steady decline in undergraduate, resident enrollment; an increase in dual enrollment; and growth in both out of state and international enrollment, specifically at the graduate level. He mentioned graduate enrollments have been critical in compensating for the decrease in undergraduate resident enrollment. He emphasized the revised budget reflects adjustments to categorize tuition and fees to where they are generated in the appropriate residency categories and reflects shifts in such to accurately reflect contraction and growth. The actual adjustments for growth are one-time adjustments related to out of state/international enrollment. Base budget adjustments will not occur until we are able to sustain the level of enrollment growth seen over the last couple of years.

Trustee Roberts asked if diversity is the silver lining. President Bill Hardgrave recognized that a lack of geographical diversity is a potential threat and strategic planning will take a deep dive in enrollment.

Chairman Edwards acknowledged the loss of 5,000 Tennessee-resident students is disappointing and while the growth of international students is great, it is not sustainable. He would like to focus on recruiting students in the state of Tennessee.

Trustee Johnson mentioned HBCUs are doing a tremendous job of recruiting students at this time and should not be underestimated.

EVP-COO/CFO Kurapati shared the revised revenues total were from \$599.7 million to \$680.1 million. The revised budget includes the \$50 million one-time state appropriation. Chairman Edwards gave recognition to University Advancement for their philanthropy efforts.

EVP-COO/CFO Kurapati provided an overview of the various revenue and expenditure adjustments and projected \$680 million in revenue, \$710 million in proposed expenditures, and \$42M in carryforward funds. He reminded the board of the compensation adjustment for faculty and staff. In addition to the 3% base increase, a 0.5% onetime lump-sum was provided in November and a 0.5% across-the-board increase to be implemented in January 2023. In closing, EVP-CFO Kurapati advised the FY23 Revised Budget is within available resources and complies with applicable policies and guidelines.

Trustee Kemme inquired about the public service line item. EVP-COO/CFO Kurapati offered to get him the actual breakdown and explained it refers to anything that does not fall under direct instruction, research or administration classification.

Trustee McKinney noted the most important asset of the university is its students.

Chairman Edwards called for a motion of the revised budget. The motion was made by Trustee Johnson and seconded by Trustee Springfield. Secretary Murry interjected to ask Trustee Graf, who participated virtually, if he was alone and could hear. Trustee Graf confirmed he was alone and could hear. A roll call vote was taken by Secretary Murry and the motion carries.

## **VI. Agenda Item 7: Foundation Update**

Chairman Edwards acknowledged EVP-COO/CFO Kurapati to provide an update on the University's foundations. EVP-COO/CFO Kurapati explained the foundations' function is to receive & invest money, primarily through endowments that support faculty positions and scholarships. He also provided an overview of the budget approved for scholarships. For FY24 the spend rate applied to the endowment was 4% and mentioned underwater funds which has a lower spend rate per applicable policy. The prior year scholarship budget was \$4.2 M and budget for next year is \$4.6 million based on better market performance from last year. Approved for this fiscal year during June 2022, the Foundation provided \$2.4M to

the university for general operations. He confirmed there would be an update to the Board during the next budget cycle.

EVP-COO/CFO Kurapati shared all the foundations and the Herff Trust are audited annually and provided an update of the current status of each. Once the financial statements have been certified by the auditors, they are submitted to Vicki Deaton, Chief Audit Executive, Internal Audit, who presents to the Board as part of the Audit Committee.

EVP-COO/CFO Kurapati also gave an update on the \$50M R1 endowment, affirming installments from the state have been received on a monthly basis for the past four months; funds are being held in a cash pool until an accounting structure is determined by the state and with Dr. Hardgrave's approval. Additional information regarding the management of endowment funds was provided. EVP-COO/CFO Kurapati will continue to provide foundation updates as appropriate.

Trustee Kemme inquired about the bookkeeping of the \$50 million match from the state and the managers of those funds. EVP-COO/CFO Kurapati replied that the current thinking, subject to consultation with State Audit, is that state money will be held in the university's books and any match donations will be held in a separate foundation account at the UofM Foundation. An IPS will be developed to manage the \$100M (combined total endowment) which will apply to the State funds and fund-raised portions. He also confirmed the same managers will be used for efficiency in fees and an annual report of activities and performance will be provided in the future.

Chairman Edwards asked what constitutes "underwater" funds by 10%. EVP-COO/CFO Kurapati said a three-year rolling average determines what is considered "underwater" and that three years' worth of funding is set aside in an expendable pool.

## **VII. Agenda Item 8: Additional Business**

Chairman Edwards asked for additional business and Trustee North addressed the committee, asking the President & Chair to consider a formal succession planning process for the board. Secondly, he acknowledged Trustee Roberts, Chairman Edwards, and other members for their effort in helping secure & orient President Hardgrave. Lastly, Trustee North offered a motion to extend the term of Chairman Edwards for one more term, allowing for good continuity of the continued orientation of President Hardgrave and execution of the strategic plan. Secretary Murry recommended the committee raise the motion in the full board meeting for voting.

Chairman Edwards encouraged all trustees, members of the committee, community, and state make known to the Governor the governance desires at the University. He stated he is willing to continue serving as Chairman as the strategic plan is being formed.

Trustee North withdrew the motion and declared he would bring it up at the full board meeting.

Trustee Kemme made the comment that no other university has a similar board and offered excitement for the strategic plan.

Trustee McKinney asked to leverage resources, talents, and skills to best serve the University as the trustees. He also shared the importance to reduce any friction and maintain continuity moving forward with the strategic plan and the trustee's fiduciary responsibility to provide transparency. He added diversity is of utmost importance as succession in leadership of the board evolves.

President Hardgrave fully endorsed the opportunity to continue working with Chairman Edwards.

There was no additional committee business.

#### **VIII. Adjournment**

Chairman Edwards called for a motion to adjourn. The motion was made by Trustee North and seconded by Trustee Springfield. A voice vote was taken and the motion carries. The meeting was adjourned at 10:06 a.m.



## **4. FY2024 Capital Budget including Outlay, Maintenance and Disclosure**

For Approval

Presented by Raajkumar Kurapati and Tony  
Poteet

# The University of Memphis Board of Trustees

Recommendation

For Approval

**Date:** March 1, 2023

**Committee:** Governance and Finance Committee

**Presentation:** Capital Budget Request for FY 24 / 25

**Presented by:** Raaj Kurapati, EVP & COO-CFO/ Tony Poteet, Chief Campus Planning Officer

## Background:

**Per Tennessee Higher Education Commission (THEC) Policy F4.0 Capital Projects:** As the coordinating body for higher education in Tennessee, THEC engages with institutions and governing boards on capital investment through its role to develop and approve recommendations for capital outlay and maintenance funding. THEC identifies capital investment needs and determines priorities for those investments for consideration by the Governor and the General Assembly as part of the annual appropriations act. Categories of projects submitted to THEC in the annual Capital Budget Request are as follows:

**Capital Outlay:** In accordance with funding request guidelines annually disseminated by THEC staff, the Commission receives a prioritized list of capital outlay projects from each governing board for evaluation and scoring into a single prioritized list for the state. These projects either provide new space or major renovations (or a combination of both), and respond to: state goals for education, strategic plans, space guidelines, facility assessments, program plans, business plans, and/or external funding and the campus master plan. One project is requested from each LGI for 24 /25 along with a five-year plan for future projects. Match funding in the amount of 17% for new construction (of which 50% must be gift funds) or 6% for major renovations is required from the campus for each project.

**Capital Maintenance:** THEC requests a prioritized list of capital maintenance projects from each governing board. THEC staff makes project recommendations to the Commission's Board in accordance with a capital maintenance formula. The formula may include, but not be limited to, the age, gross Education & General (E&G) square footage, usage, and conditions of institutions facilities. Individual projects should reduce deferred maintenance and protect the assets of the state.

**Disclosed Projects:** A project must be disclosed to the legislature through THEC if it is an improvement over \$ 100,000 or a maintenance project over \$ 500,000. Bonded projects, new construction, and major projects should be disclosed as part of the annual capital budget submittal. It is strongly recommended that projects over \$500,000 be submitted in initial budget, and not in the budget amendment or quarterly. Projects will be itemized as part of the annual state budget approved by the Legislature. Projects disclosed

in the annual capital budget process may be brought to the SBC in July. Smaller projects, or Capital Improvements between \$100,000 and \$500,000, may be disclosed in the Quarterly Disclosure. Additionally, maintenance projects that are needed due to system or equipment failures can be submitted for quarterly disclosure regardless of the cost. Gift projects may also be considered for quarterly disclosure regardless of the cost. These quarterly disclosures become part of disclosed projects of the fiscal year in which they are disclosed and remain in effect for the year it is disclosed, and the following year.

Projects that have received gift funds or grant funds that were not expected may be disclosed as part of the quarterly process but will be reviewed in the context of whether the project was foreseen and planned appropriately. It is recommended that projects for which there are fund raising efforts be disclosed as part of the annual budget process. A previous disclosure as part of the annual budget submittal will indicate that the project has been planned appropriately and is part of your long-range plans. The lack of previous disclosure may indicate that the project is not part of the long-range plans. However, a case may be made to go forward with a quarterly disclosure if gifts or grants are received that were not anticipated. These are called ‘special opportunity’ projects, but they are not formalized as part of the SBC or THEC Policy disclosure definitions.

**Committee Recommendation:** Motion to approve the Capital Budget Request for Fiscal Year 2024 / 25 as detailed in the meeting materials.

# *Capital Budget Proposal*

*2024-2025*

Raaj Kurapati, EVP and COO-CFO

Tony Poteet, Chief University Planning Officer

Maxine A. Smith University Center



MARCH 2023

- Capital Outlay
- Capital Maintenance
- Disclosures

Due to THEC June 30, 2023

- Outlay projects are scored based on relation to state goals, Drive to 55, campus strategic and master plan, space needs, and external funding (17% minimum match / 6% renovation).
- Capital Maintenance is distributed by a formula - 11.7% to UofM based on the amount and age of space = \$29,290,000 of \$250,000,000 THEC ask.
- Disclosure is required for any improvement project over \$100,000 or maintenance project over \$500,000.

## Project

### Capital Outlay

College of Business and Economics Renovation

Mynders Hall Renovation

### Capital Maintenance

HVAC Component Replacements Multiple Buildings

Multiple Buildings Repairs

Multiple Buildings Roof Replacements

Wilder Tower Repairs

Multiple Building Elevator and Fire Alarms

## State Funding

\$ 25,000,000 in programming

\$ 20,000,000 in programming

\$ 4,293,000 in construction

\$ 4,000,000 in construction

\$ 3,000,000 in design

\$ 2,674,000 in design

\$ 5,340,000

# Capital Outlay Projects (New Facilities or Major Renovations)

# Capital Outlay

Capital Outlay – Five Year Plan	Total Cost	Match	Funding year
<b>1. Research Modernization</b> Renovate research lab space in existing buildings	\$ 70,000,000	\$ 4,200,000	2024/2025
<b>2. Interdisciplinary Science Research</b> New laboratory intensive facility on main campus	\$ 76,000,000	\$ 12,920,000	2025/2026
<b>3. Research Park</b> New research facilities west of main campus	\$ 59,400,000	\$ 10,098,000	2026/2027
<b>4. Academic Building Replacement (Mitchell / Clement)</b> New building on main campus	\$ 91,300,000	\$ 15,521,000	2027/2028
<b>5. Research Renovation / Physical Plant Relocation</b> Relocate PPlant to new location, utilize current facility for research.	\$ 30,800,000	\$ 5,236,000	2028/2029

# Capital Outlay

## Research Modernization

This project will modernize 115,000 square feet of space to support research in the sciences, including Chemistry, Life Sciences, Psychology, Physics, Engineering and Computer Science. The improved labs and support space will promote excellence in research, post-baccalaureate training, and undergraduate education.

\$ 62,400,000 state funds

\$ 2,600,000 match funds



# Capital Outlay

## Interdisciplinary Science Research

Construction of a new 68,500-square-foot facility to contain clusters of wet labs, write up space, scientific equipment clusters, offices, and a full first floor vivarium for research animal care. The project is part of the campus master plan and is integral to Carnegie 1 classification for research. The project includes site development adjacent to the Field House, loading dock, site lighting, drainage, and all utilities to serve the new facility.

\$ 63,080,000 state funds  
\$ 12,920,000 match funds



# Capital Maintenance

## (Deficiency Corrections to Buildings and Site)

<b>Projects 2024/25</b>		<b>Cost</b>
<b>1. Dunn / Field House HVAC</b>		<b>\$ 5,000,000</b>
The Fieldhouse and Dunn Hall HVAC systems are obsolete. The buildings need new air handlers, VAV units, controls, valves, pumps, fresh air systems, piping replaced, and air distribution devices replaced. The existing systems leak is inefficient and ineffective.		
<b>2. Exterior Building Repairs</b>		<b>\$ 4,000,000</b>
Campus buildings need waterproof exteriors and Life Sciences, Dunn Hall, and McWherter are in need of substantial brick repairs. Windows need replacing in Old Brister (historic), Manning Hall, and the main campus boiler house has some brick repair and precast panel reinforcement needed.		
<b>3. Admin/ Scates / Hayden Boilers</b>		<b>\$ 4,000,000</b>
These three buildings are currently fed from the central steam plant, which is being decommissioned as Underground lines have deteriorated. Individual boilers will be installed, and hot water piping will be reworked to allow each building to be controlled independently with greater efficiency.		

Projects 2024/25	Cost
<b>4. Lambuth Various Maintenance</b> Replace the roof on Recreation Center, provide fresh air to Varnell Jones, replace the elevator in Library, and replace HVAC units at the library.	\$ 2,500,000
<b>5. Park Campus Water / Sewer lines</b> The park campus water and sewer lines were installed in 1942 as part of the original army base and are undersized, broken down, and valves are stuck. These lines provide all the domestic and fire water for the expanding modern campus and need to be replaced.	\$ 3,858,000
<b>6. Electrical Service Replacement</b> Replace the feeder system to the underground for the North area of campus and east area of Park Campus, and change to MLGW services at Millington.	\$ 2,000,000
<b>7. Multiple Building Roof Replacement</b> This project will replace roofs and insulation as required by the energy code for education and general buildings. Engineering Technology, Alumni, Ellington, Mitchell Hall, Life Science, Chemistry.	\$ 3,000,000
<b>8. ACB / Mitchell / Clement / Eng. Tech. HVAC</b> Replacement of variable refrigerant fan coils.	\$ 2,500,000

Other Requests		Cost
ADA:		
• Main and Park Campus Major Buildings:		\$ 6,008,000
• Main and Park Campus Site Issues:		\$ 231,000
• Lambuth Campus Major Buildings:		\$ 1,167,000
Safety and Security All campus locations		\$ 5,488,000
Demolition		\$ 2,000,000
Building 8, 113, 34, 2, 45, 46, 47, 48, 50, 55, Millington Cruse Hall, 5 rental properties		

# Disclosure Projects

## (Campus Funded or Bond Funds)

<b>Disclosure</b>	<b>Cost</b>
• Soccer Complex	<b>\$10,750,000</b>
• Academic and Research Renovations	<b>\$15,000,000</b>
• Jones and UMRF roof	<b>\$ 1,250,000</b>
• Clinical Support Restoration (defense audit second floor)	<b>\$ 1,300,000</b>
• Graduate Student Housing	<b>\$11,500,000</b>
• Carpenter Housing Repairs	<b>\$ 2,500,000</b>
• Student Athlete Support Center	<b>\$35,000,000</b>
• Physical Plant Building Park Campus	<b>\$ 1,500,000</b>
• Wilson Hospitality Improvements	<b>\$ 8,000,000</b>

**The following were submitted for 23/24 disclosure:**

• Park Housing	<b>\$ 49,400,000</b>
• Performance Contracting	<b>\$ 15,000,000</b>
• B and E Addition	<b>\$ 35,000,000</b>

Capital Outlay	<u>Total Cost</u>
• Research Modernization	\$70,000,000 (\$4,200,000 match)
Capital Maintenance	\$29,290,000
Other	
• ADA	\$ 7,406,000
• Safety and Security	\$ 5,488,000
• Demolition	\$ 2,000,000

# 2024 Governor’s Capital Budget

Capital Outlay	-0-
Capital Maintenance	\$5,340,000



## 5. FY22 Annual Financial Audit Report

Presentation

Presented by Raajkumar Kurapati

# The University of Memphis Board of Trustees

Information  
For Discussion

**Date:** March 1, 2023

**Committee:** Audit Committee

**Topic:** FY 2022 Annual Financial Audit Report

**Presented by:** Raaj Kurapati, Executive Vice President and COO/CFO

## **Background:**

The Office of the Comptroller of the Treasury, Division of State Audit, completed its audit of the University of Memphis (the University) on December 14th, 2022. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The objectives and scope of the audit were as described in the Engagement letter from the Comptroller of the Treasury, Division of State Audit, and dated May 25th, 2022.

As of February 8th, 2023 the audit report has not been released. The audited Financial Report on the University for the year ending June 30, 2022 will contain the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information and other Supplementary Information. We expect the auditors to issue an unmodified opinion on the financial statements. The financial information presented is based on the latest available at the time of completion of audit fieldwork.

The exit conference with the auditors is expected to be scheduled shortly where any findings and other items that require management response will be discussed.

# *2022 Annual Financial Report & Internal Control Audit*

## *Audit Committee*

Raaj Kurapati

Executive Vice President and COO-CFO

March 1, 2023

Maxine A. Smith University Center



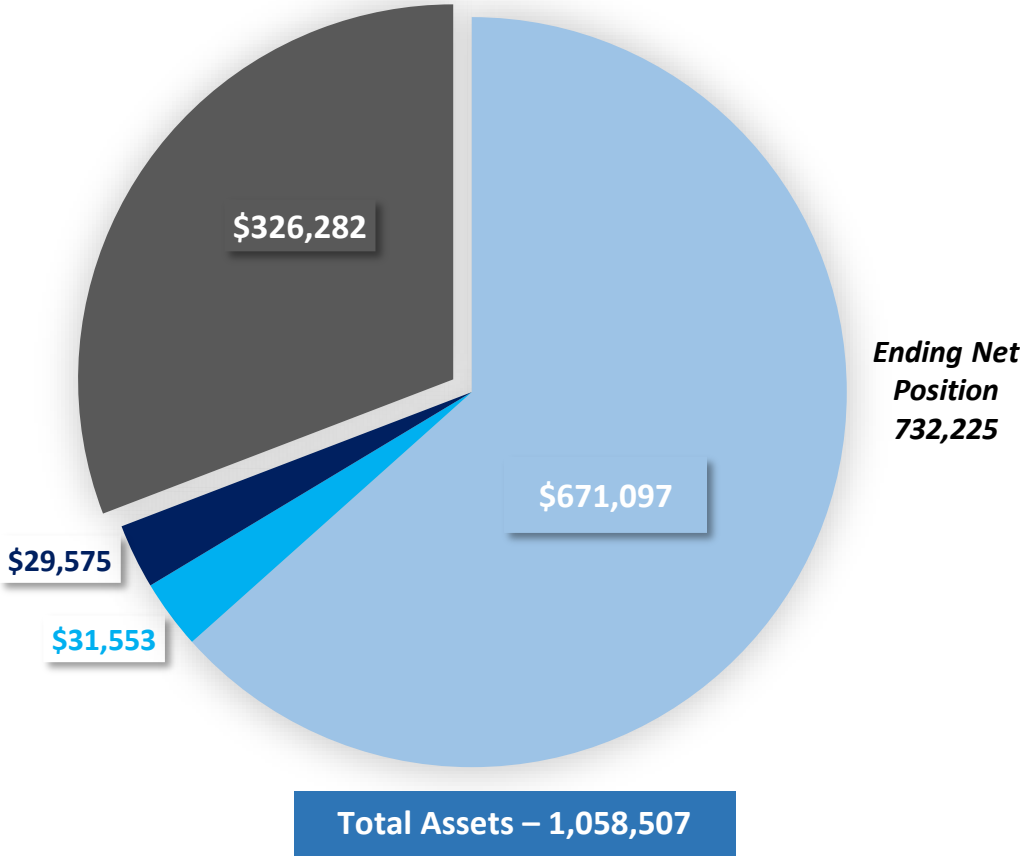
**Board of  
Trustees**

MARCH 2023

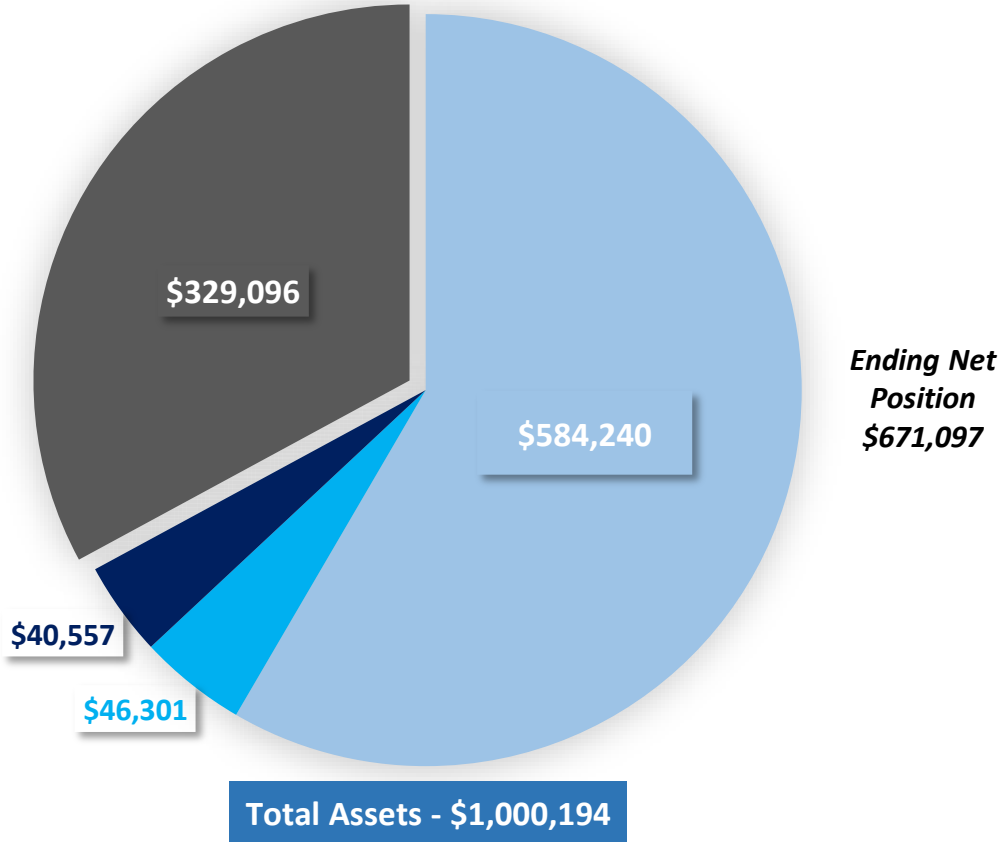
The University has independent audits performed of each of its component units and the Herff Trusts on an annual basis. Additionally, the University's operations are audited by the Division of State Audit under the Office of the State Comptroller. Below are the summary results of said audits:

1. Unmodified audit opinions for UM Foundation, Aux Services Foundation and UM Research Foundation in FY 22
2. Improved financial standing of the three foundations:
  - Total Assets grew by \$3.85M, due to increase in Pledges receivable by the UM Foundation
  - Total Liabilities increased by \$4.67M, due to decrease in year end payables
  - Net Position improved by \$8.52M
3. Unmodified audit opinion for the University and Herff Trust.

FY22 (in thousands)



FY21 (in thousands)



■ Beginning Net Position

■ Net Income Before Capital Items

■ Capital Appropriations & Gifts

■ Liabilities and Deferred Inflows

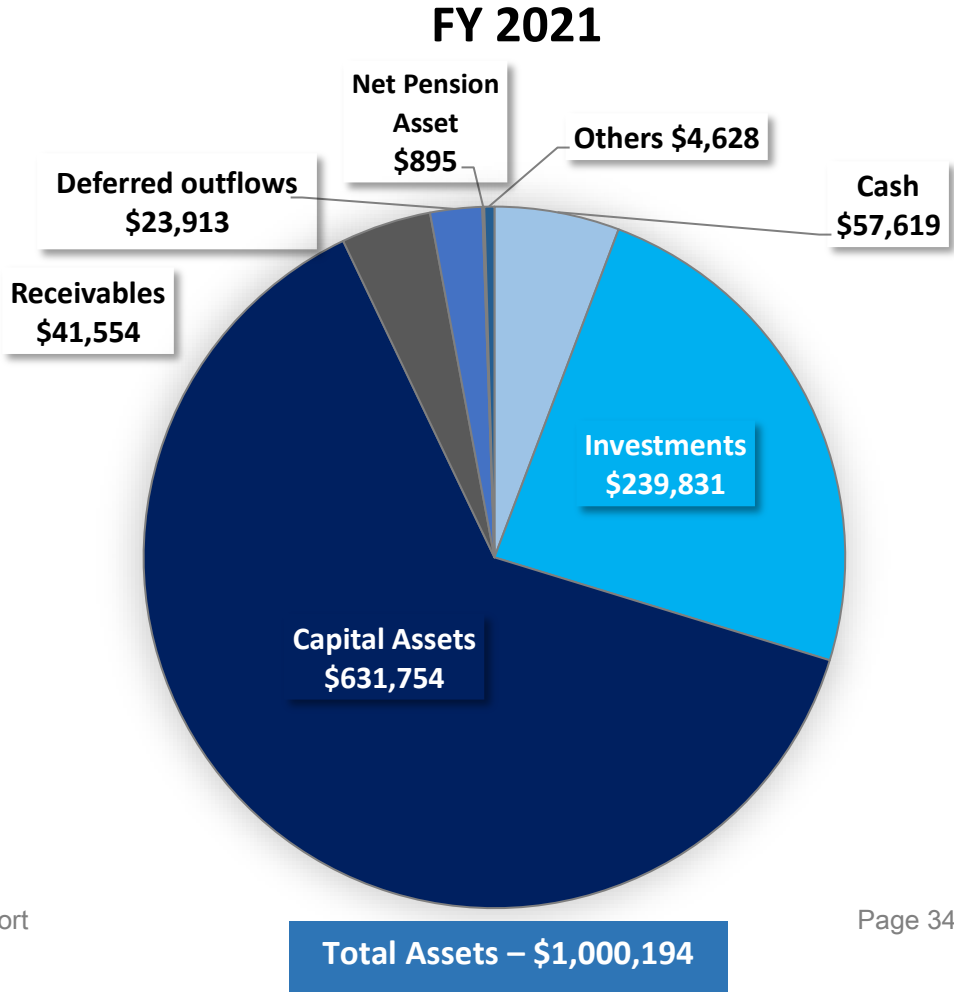
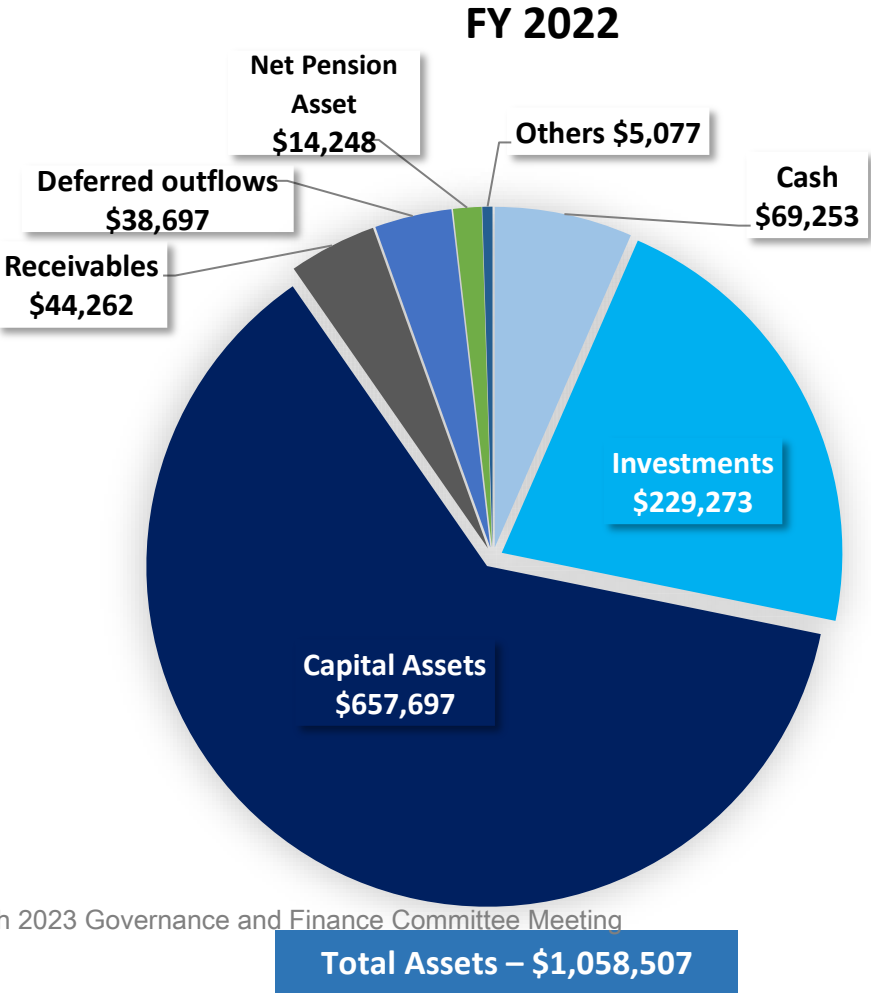
■ Beginning Net Position

■ Net Income Before Capital Items

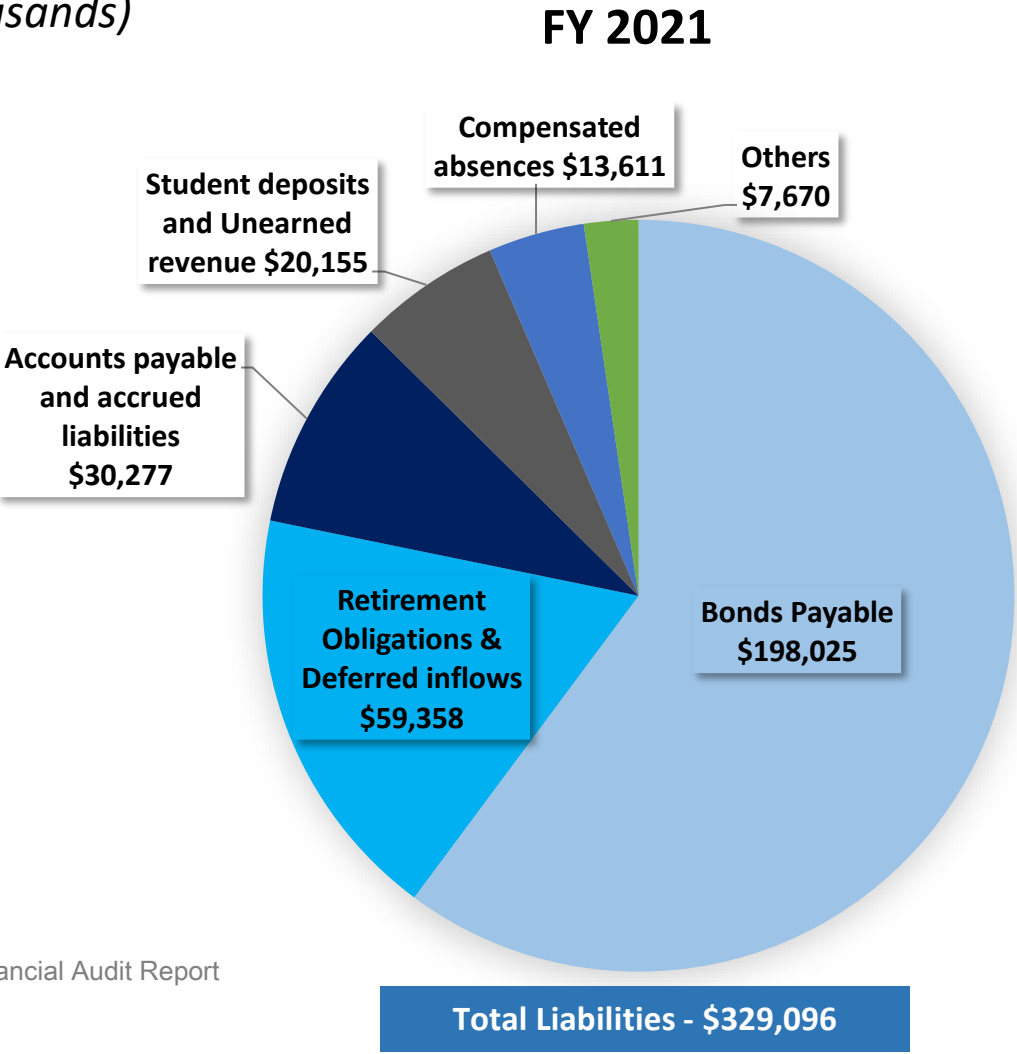
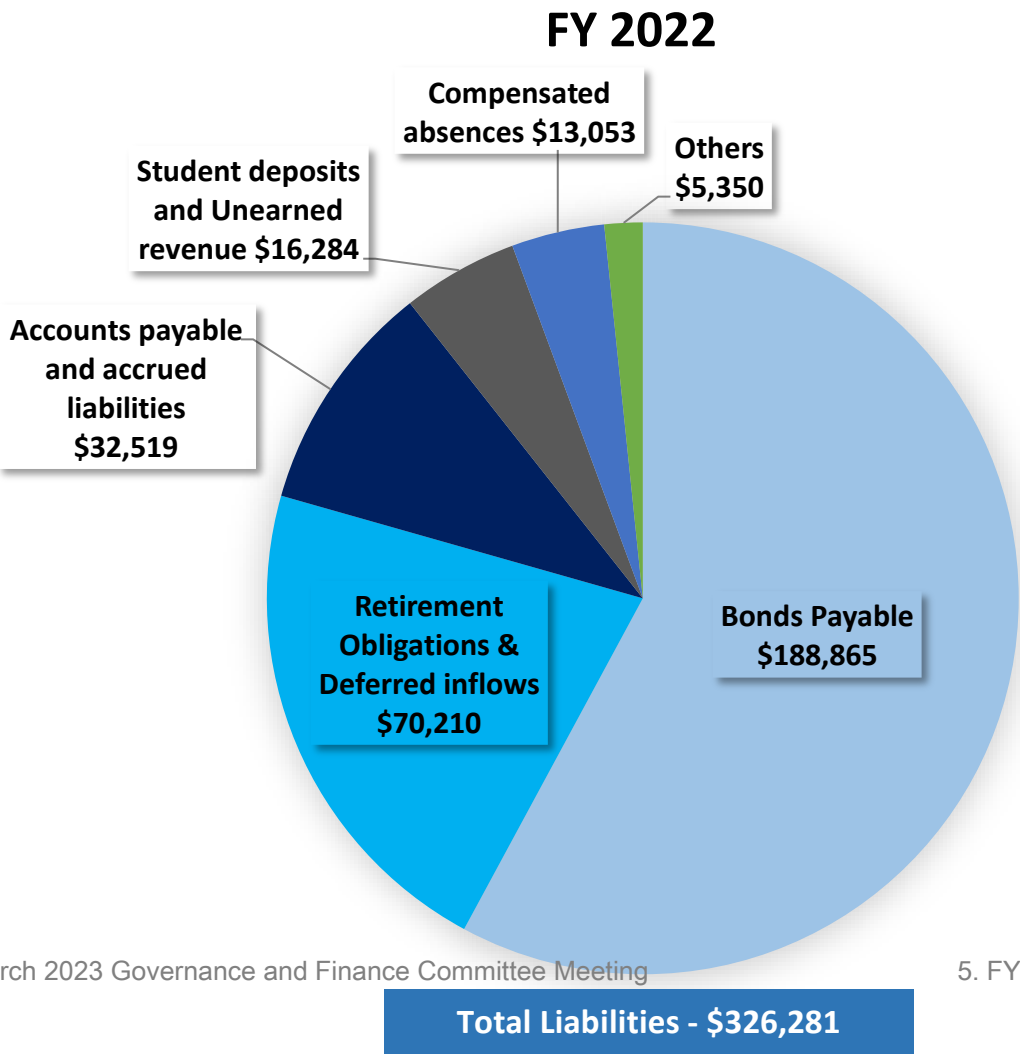
■ Capital Appropriations & Gifts

■ Liabilities and Deferred Inflows

Composition of Assets  
*(in thousands)*



Composition of Liabilities  
*(in thousands)*

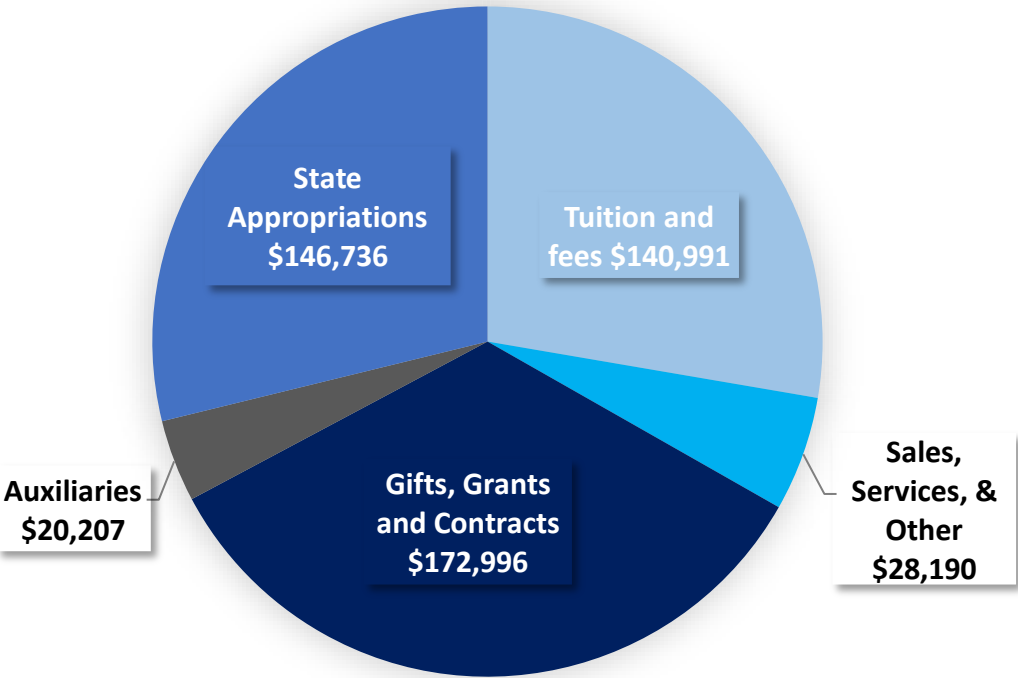


Sources Of Revenue\*

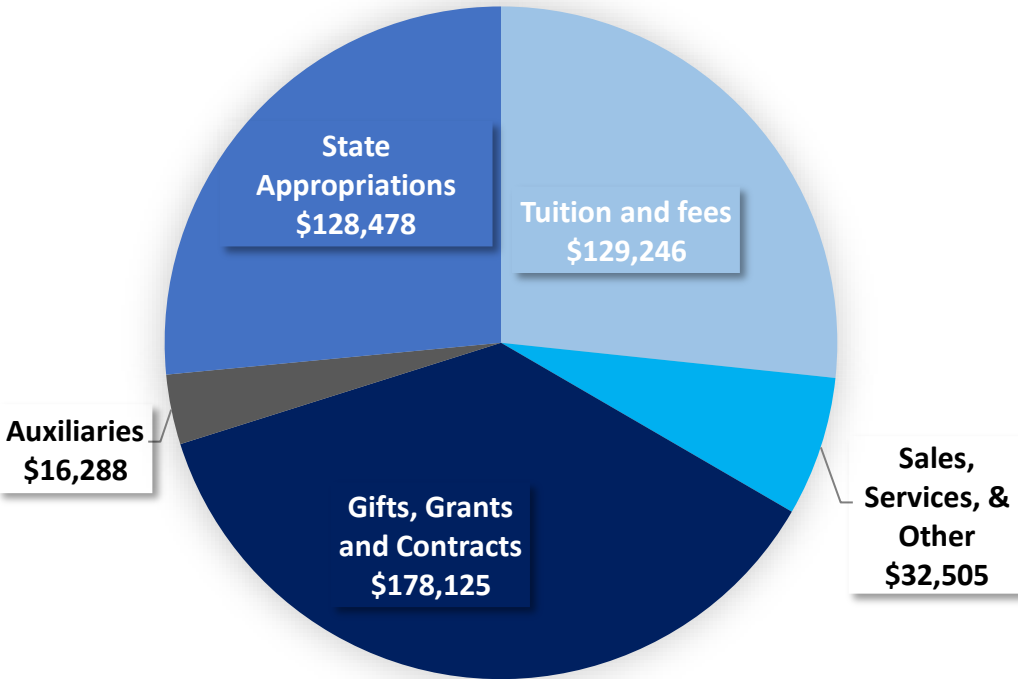
(in thousands)

\*Does not include Capital Gifts and Appropriations

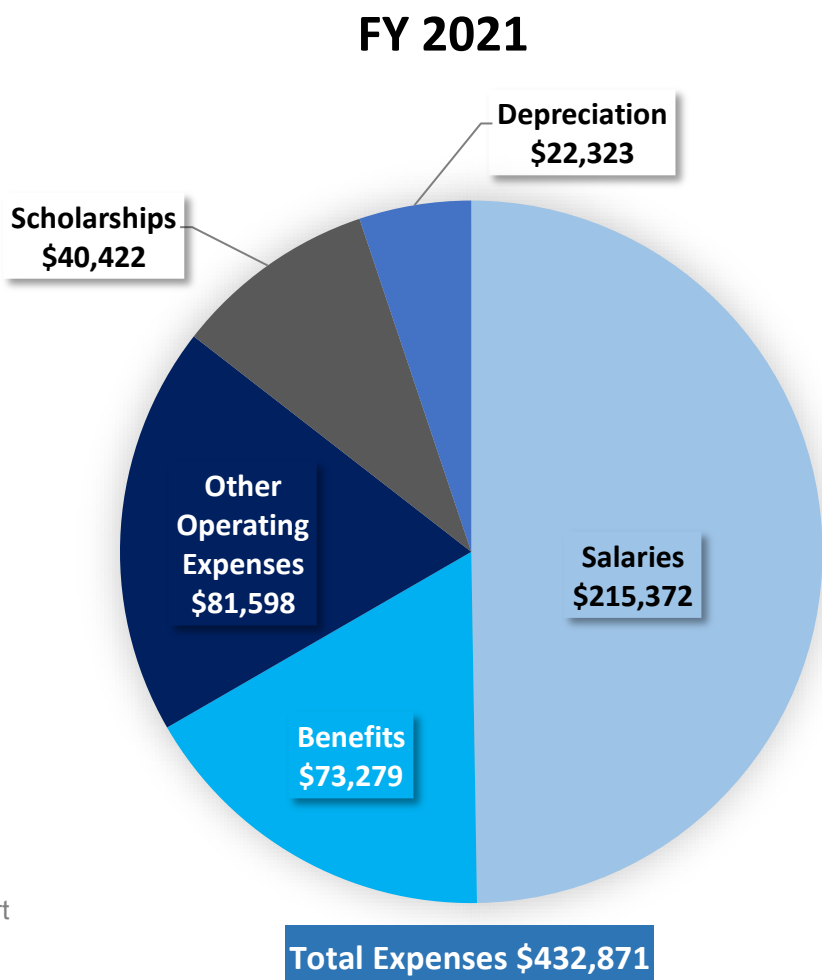
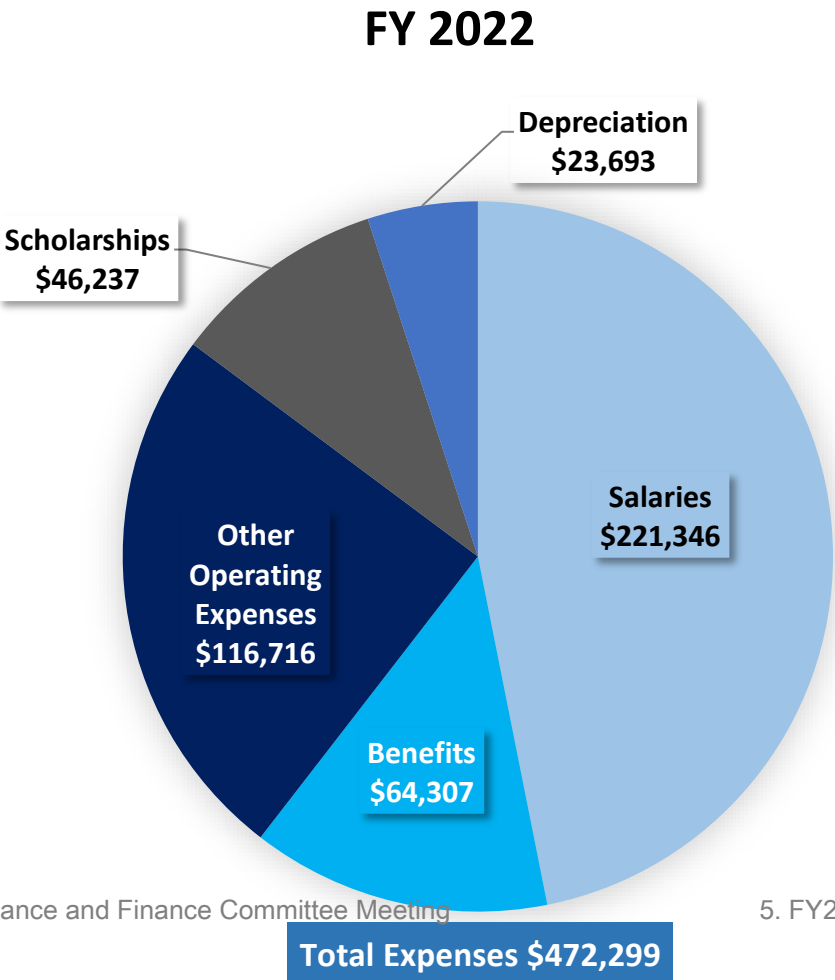
FY 2022



FY 2021

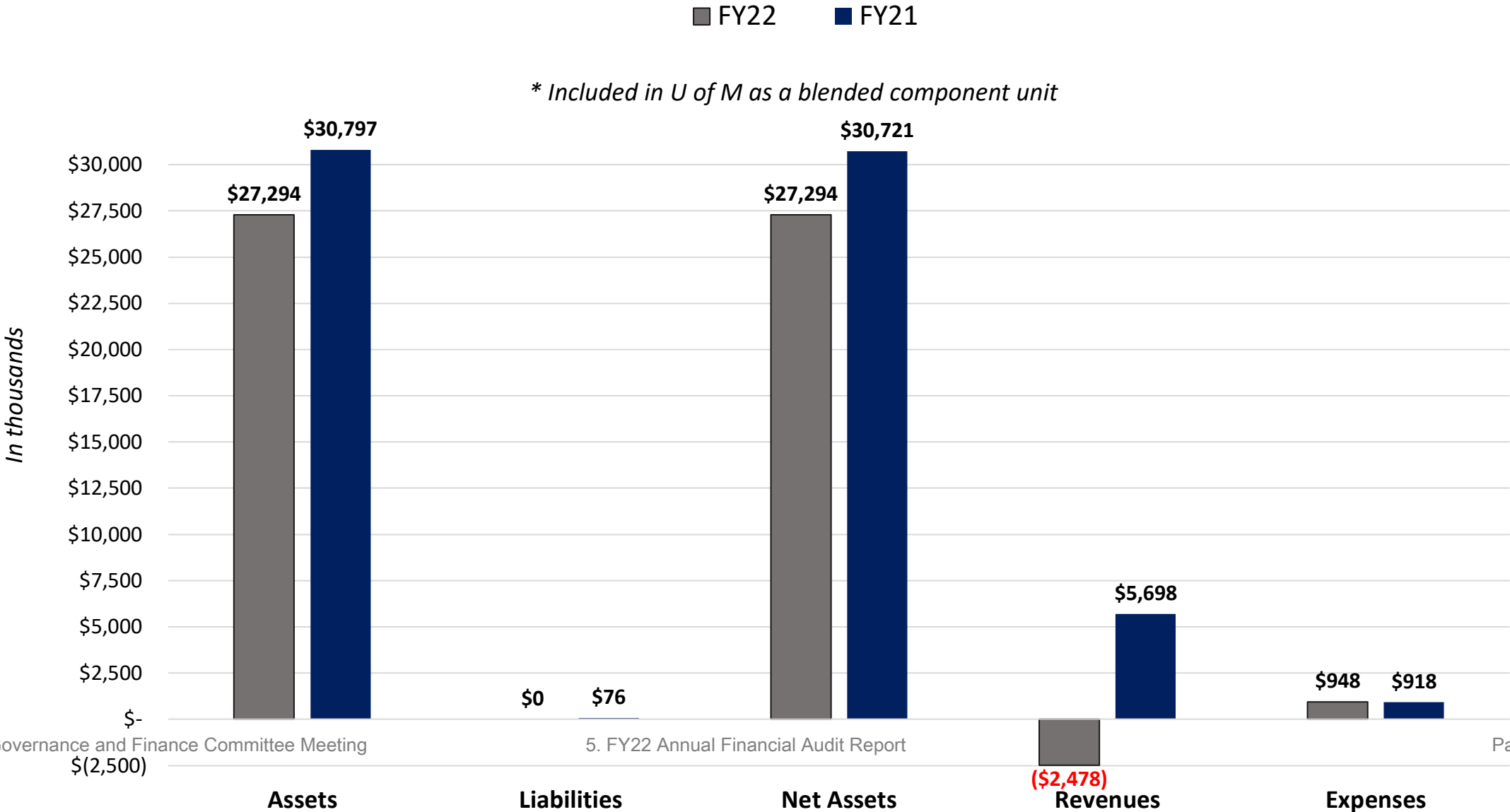


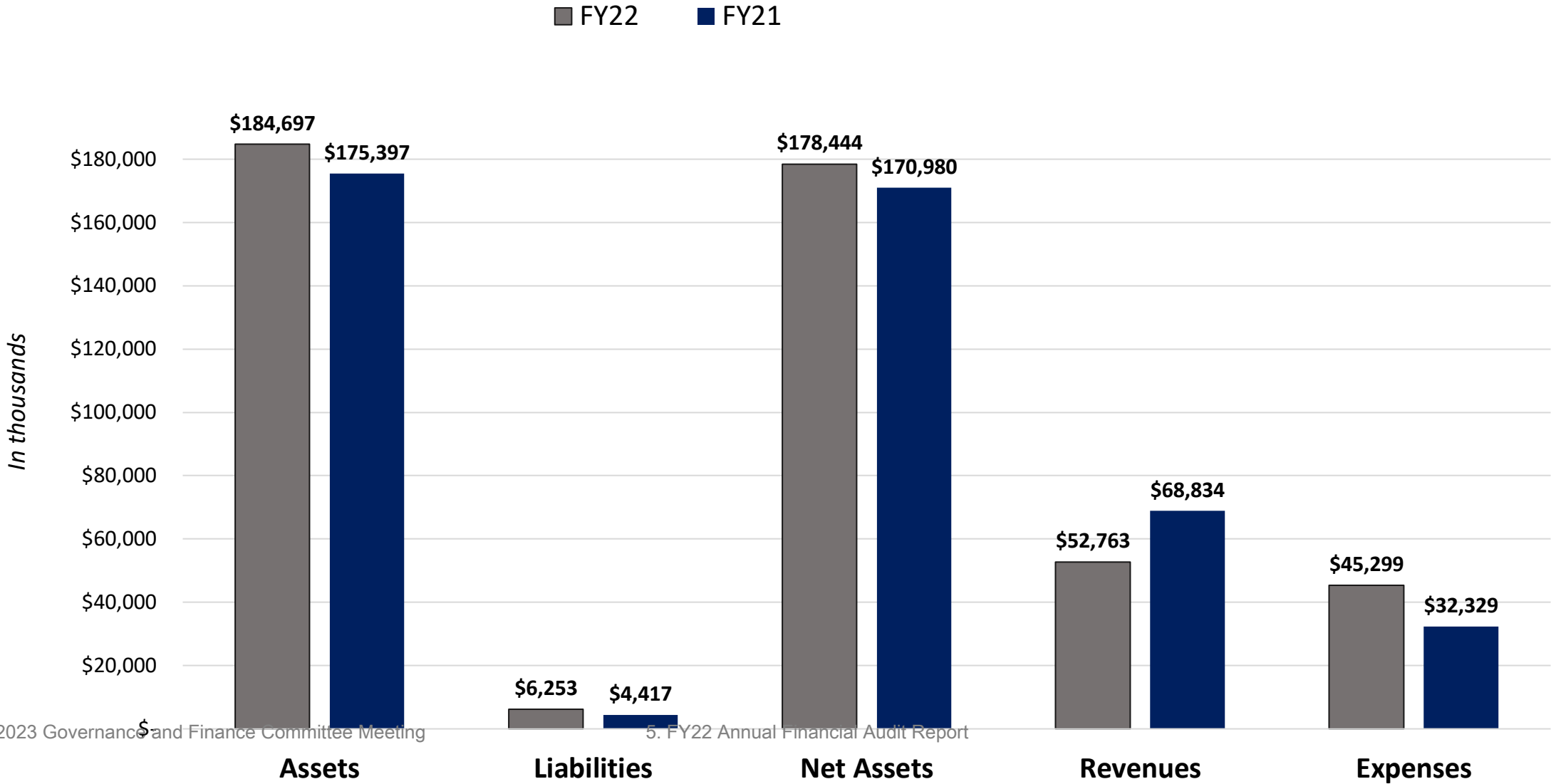
Operating Expenses  
*(in thousands)*

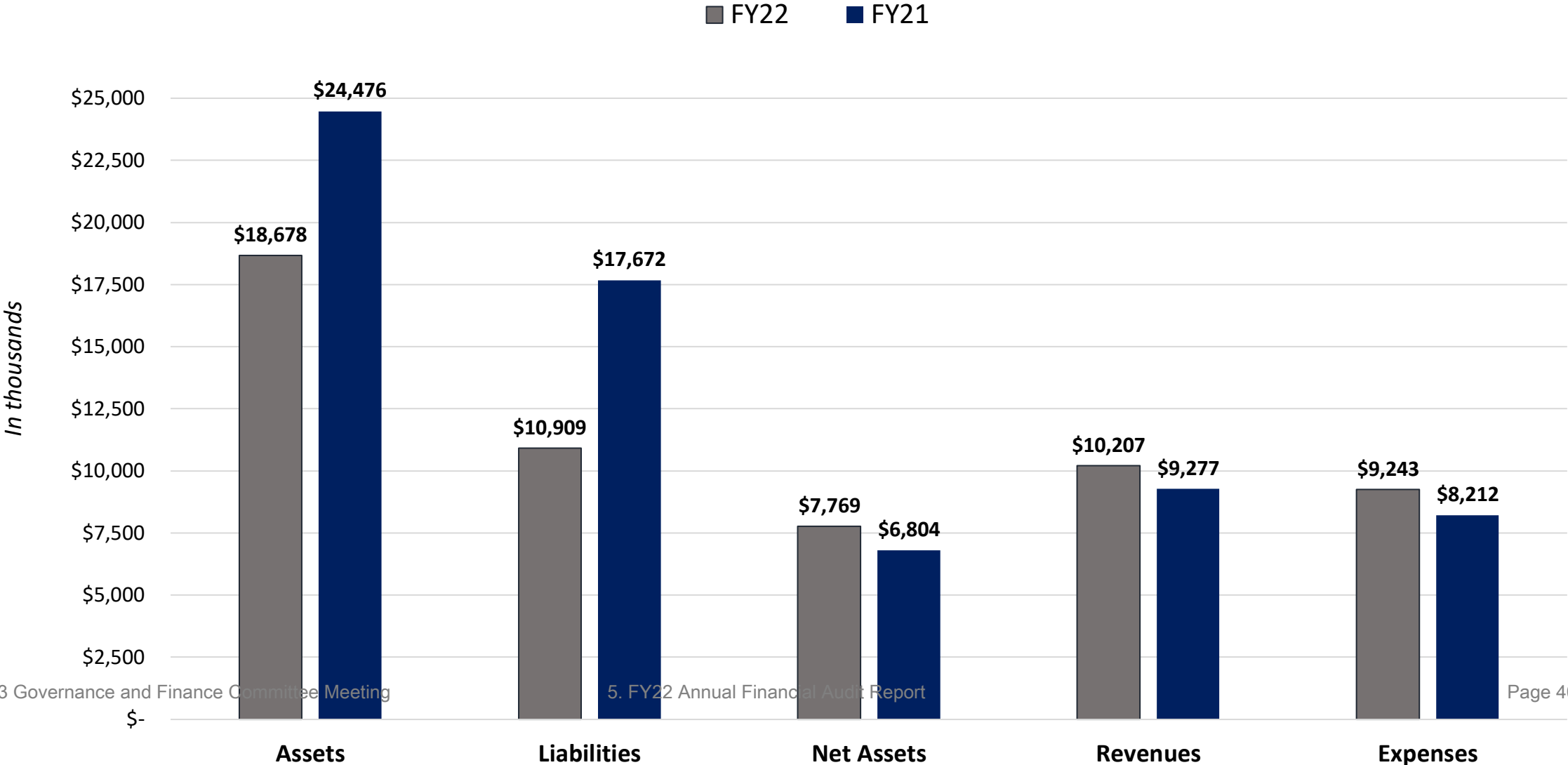


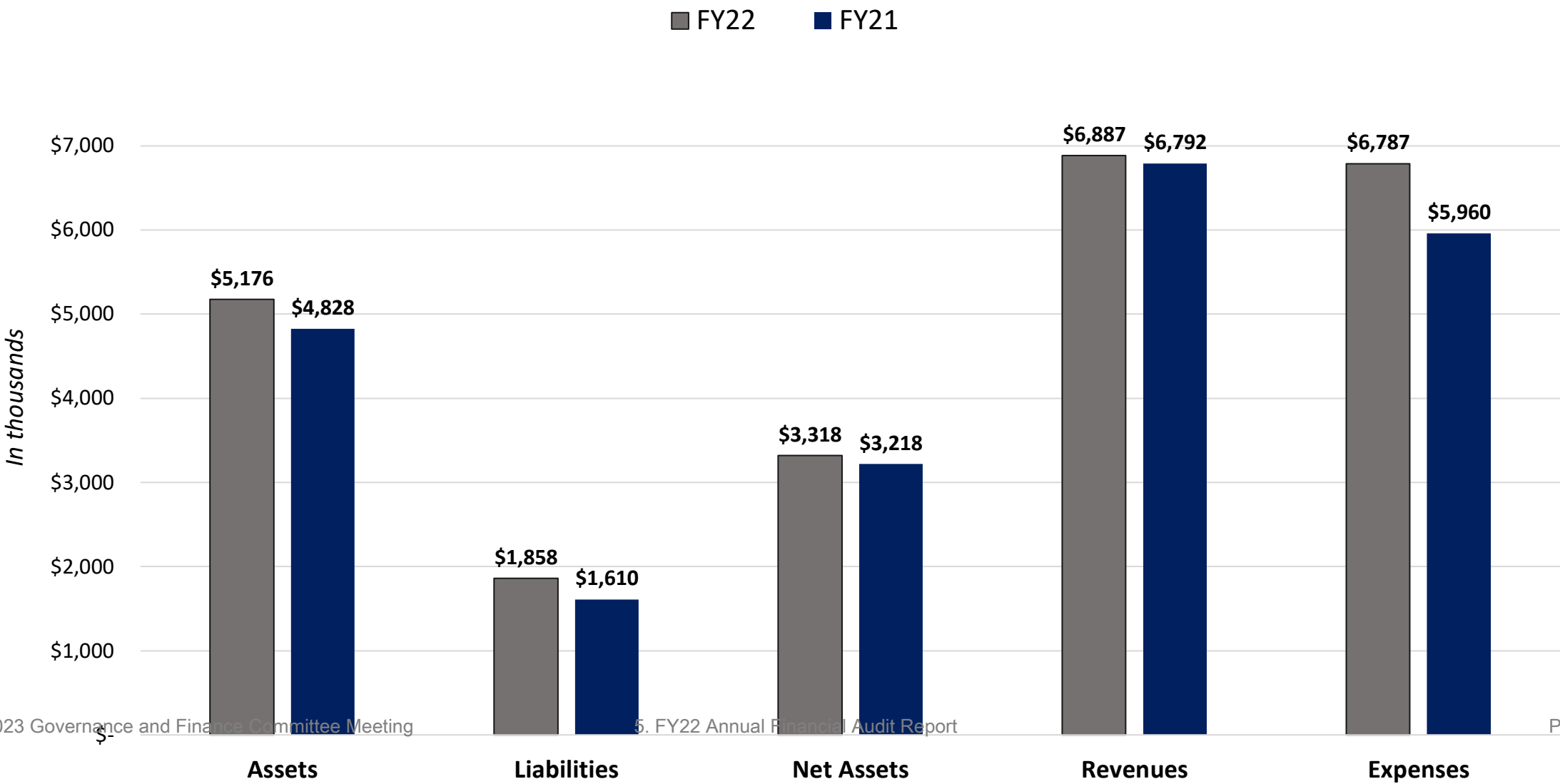
# Herff Trust\* Financial Statement Summaries

## FYE June 30 2022 and 2021

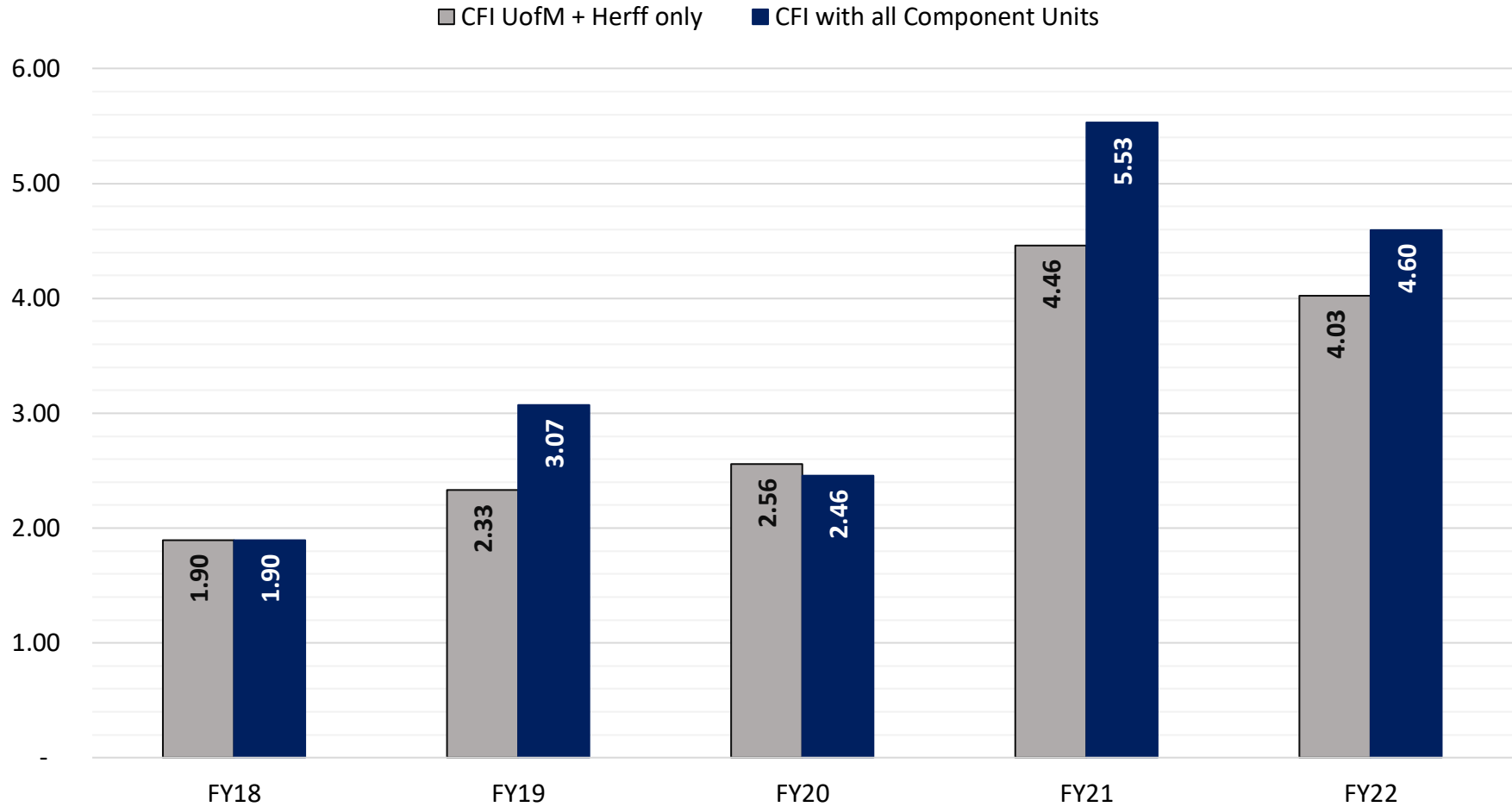




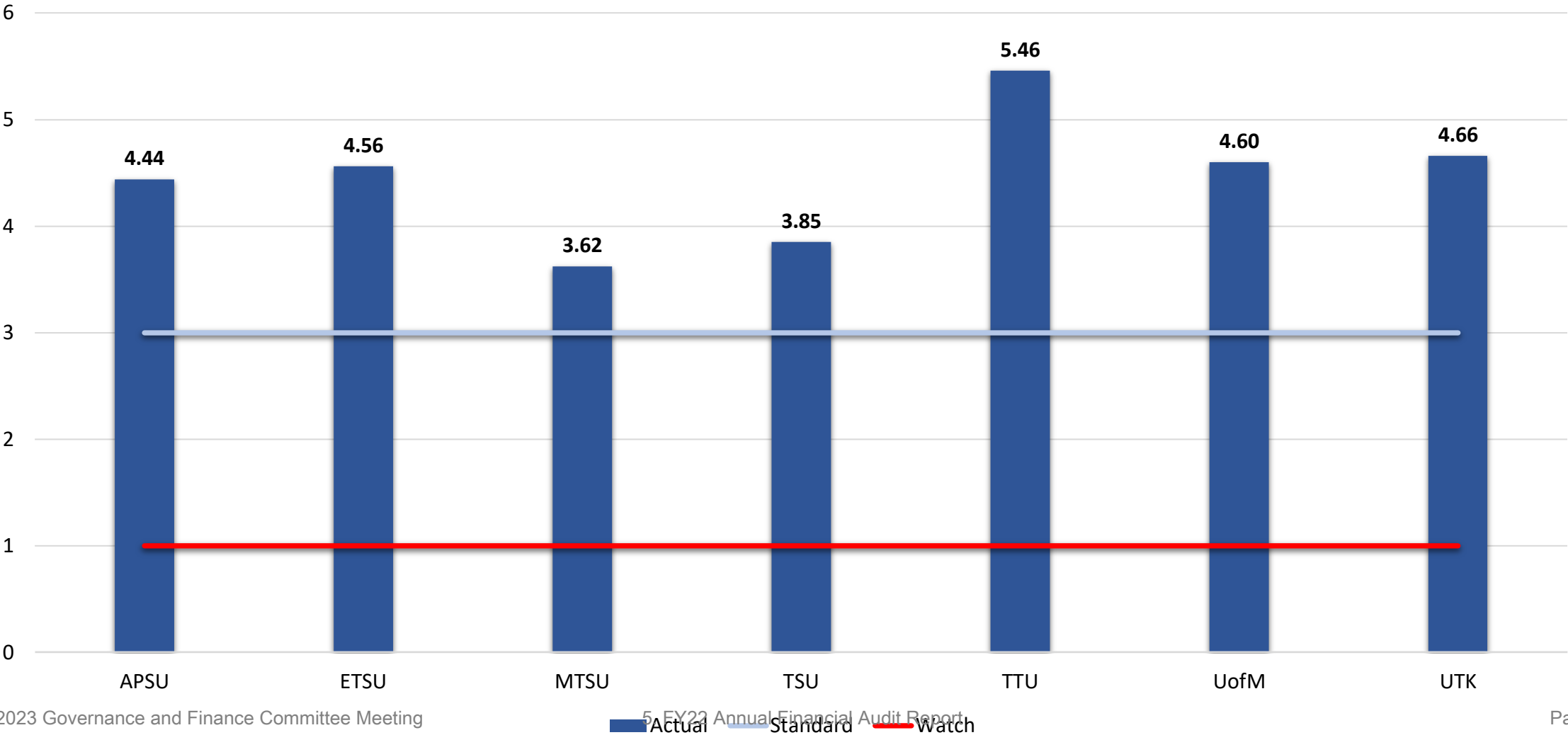




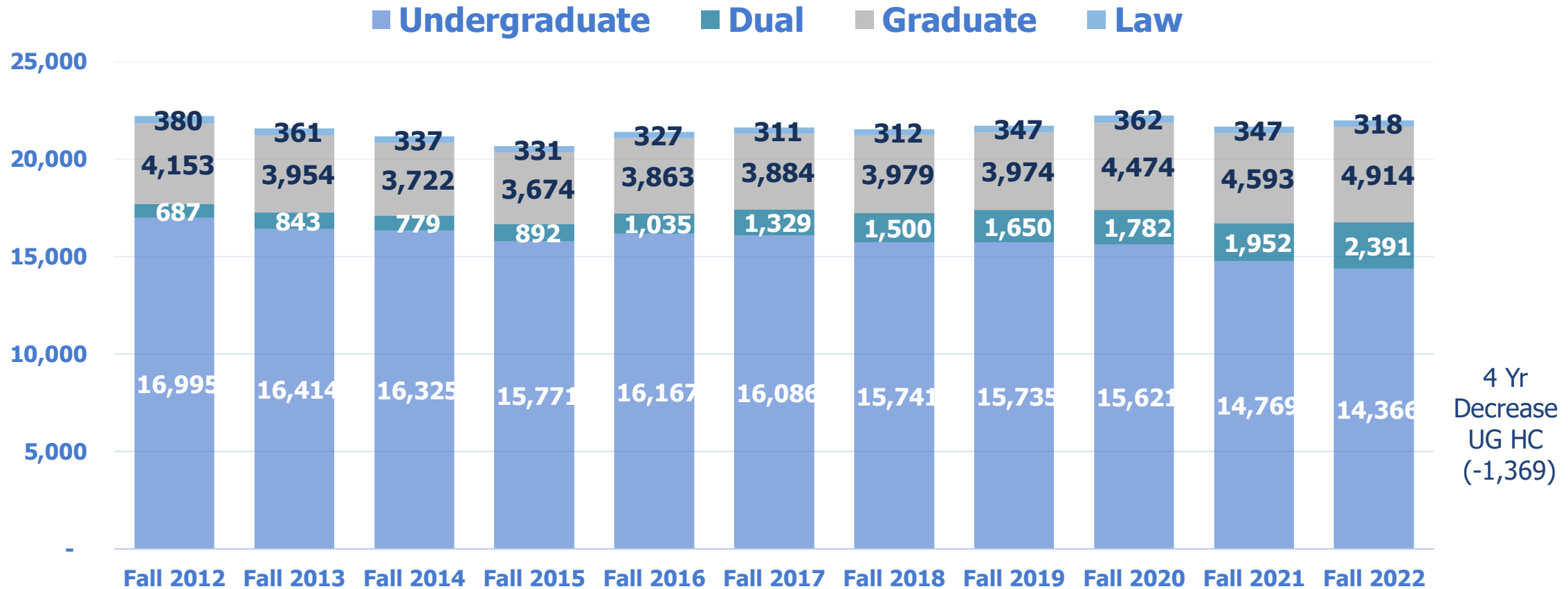
# Composite Financial Index (CFI) U of M Historic Trend



# FY22 CFI Comparison with UTK and LGIs

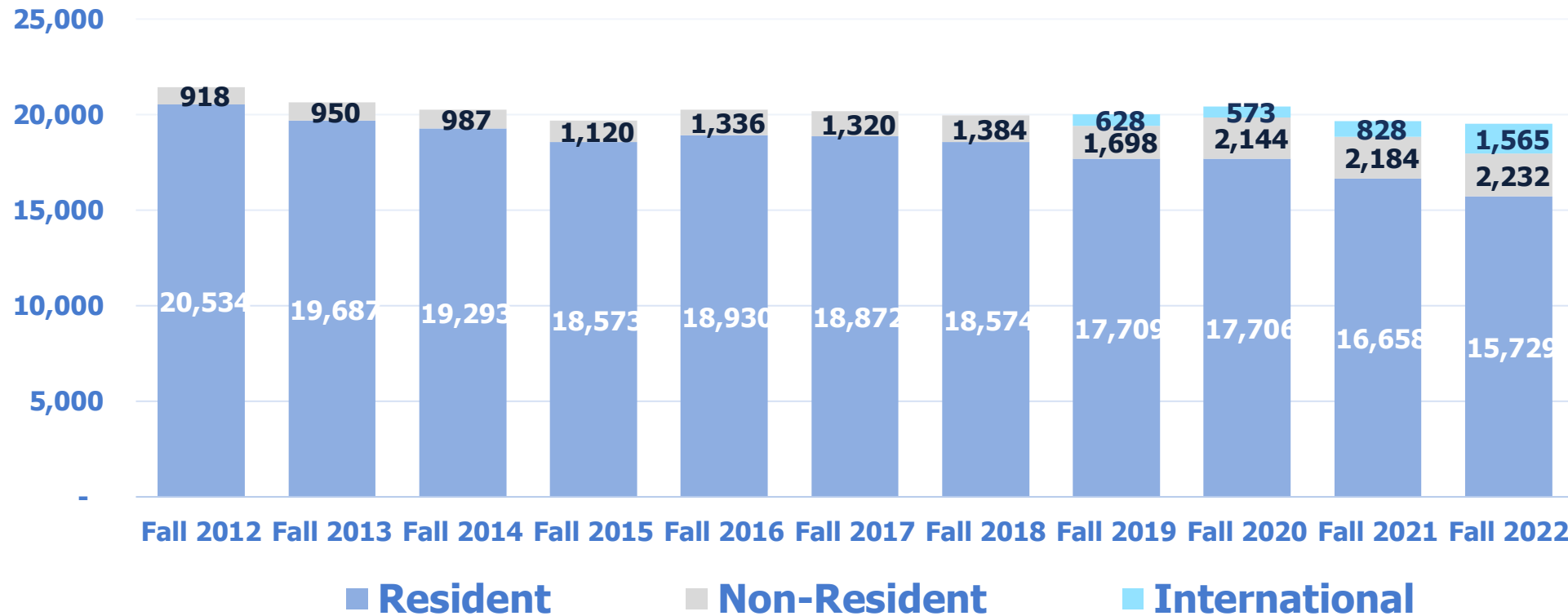


# Enrollment by Class



# Enrollment by Residency

**HEADCOUNT TREND BY RESIDENCY**  
EXCLUDES DUAL ENROLLMENT



# Credit Hours by Residency

Credit Hour Enrollment by Residency						
	AY2019-20	AY2020-21	AY2021-22	AY2022-23	4 Yr Change	4 Yr % Change
In State						
Undergraduate	352,354	340,054	315,416	308,660	(43,694)	-12%
Graduate	36,047	41,517	39,651	34,545	(1,502)	-4%
Law	7,705	8,217	7,683	7,093	(612)	-8%
In State - Total	396,106	389,788	362,750	350,298	(45,808)	-12%
Out of State						
Undergraduate	23,160	27,086	31,317	32,384	9,224	40%
Graduate	9,800	12,257	10,596	10,161	361	4%
Law	2,115	2,188	2,213	1,976	(139)	-7%
Out of State - Total	35,075	41,531	44,126	44,521	9,446	27%
International						
Undergraduate	4,073	3,654	4,665	4,865	792	19%
Graduate	7,033	6,568	12,733	23,971	16,938	241%
Law	29	28	-	-	(29)	
International - Total	11,135	10,250	17,398	28,836	17,701	159%
University - Total	442,316	441,569	424,274	423,655	(18,661)	-4%

CH Enrollment by Student Level		
	4 Yr Change	4 Yr % Change
Undergraduate	(33,678)	-9%
Graduate	15,797	30%
Law	(780)	-8%
University - Total	(18,661)	-4%

# Summary of HEERF Funding

(Application of HEERF)

HEERFs	Student Aid Portion		Institutional Aid Portion	
CARES ACT (HEERF I)	\$7,787,700	Emergency grants to 12,283 students	\$8,572,076	Refunds to students - \$7.36m; Student wages - \$435k; Retention Scholarships - \$370k; IT and Physical plant expenses - \$400k
CRRSA ACT (HEERF II)	\$7,816,050	Emergency grants to 13,629 students	\$20,721,087	Refunds to students - \$6.37m; Emergency Student grants - \$835k; Athletic and Auxiliary Revenue loss recovery - \$9.24m; Campus Safety Expenses - \$605k; Indirect Cost recovery - \$3.13m; Student debt discharge - \$542k
ARP ACT (HEERF III)	\$24,350,875	Emergency grants to students: Summer 21 - 4,434; Fall 21 - 17,726; Spring 22 - 17,880; Summer 22 - 6,574; Fall 22 - 19,617	\$21,974,103	Revenue loss recovery - \$11.41m; Indirect Cost recovery - \$1m; Campus safety expenses & Financial aid outreach - \$206k; Student Debt discharge -\$8.92m; Student grants - \$439K
<b>Total Spending</b>	<b>\$39,954,625</b>		<b>\$51,267,266</b>	
Available for use	-		\$3,558,982	
<b>Total Amount Authorized</b>	<b>\$39,954,625</b>		<b>\$54,826,248</b>	

# Questions?

## 6. Tigers SmartStart Update

Presentation

Presented by Raajkumar Kurapati

# The University of Memphis Board of Trustees

Presentation  
For Information

**Date:** March 1, 2023

**Committee:** Governance and Finance Committee

**Presentation:** Update: Tigers Smart Start

**Presented by:** Raaj Kurapati, Executive Vice President and COO/CFO

**Background:**

The University launched Tigers SmartStart in Spring 2023 in an effort to make all required course materials available to all eligible undergraduate students for an affordable price of \$24/ credit hour. This update will provide information on the number of students that are included in the program, those that have opted out, and efforts to prepare for improvements prior to the next term.

# *Tigers SmartStart Update*

## *Governance and Finance Committee*

Raaj Kurapati

Executive Vice President and COO/CFO

March 1, 2023

Maxine A. Smith University Center



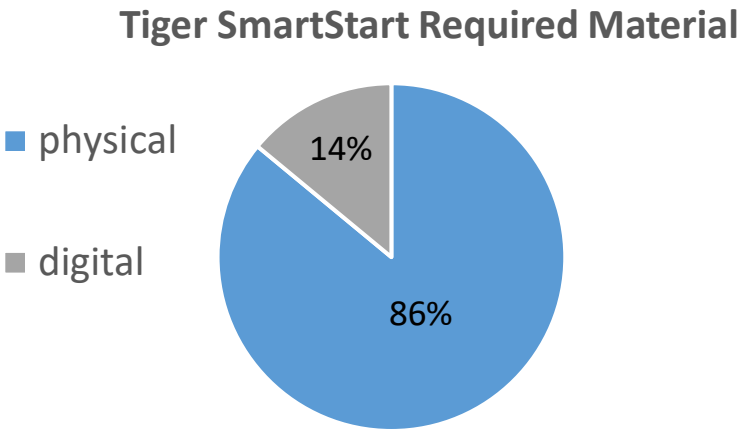
**Board of  
Trustees**

DECEMBER 2022

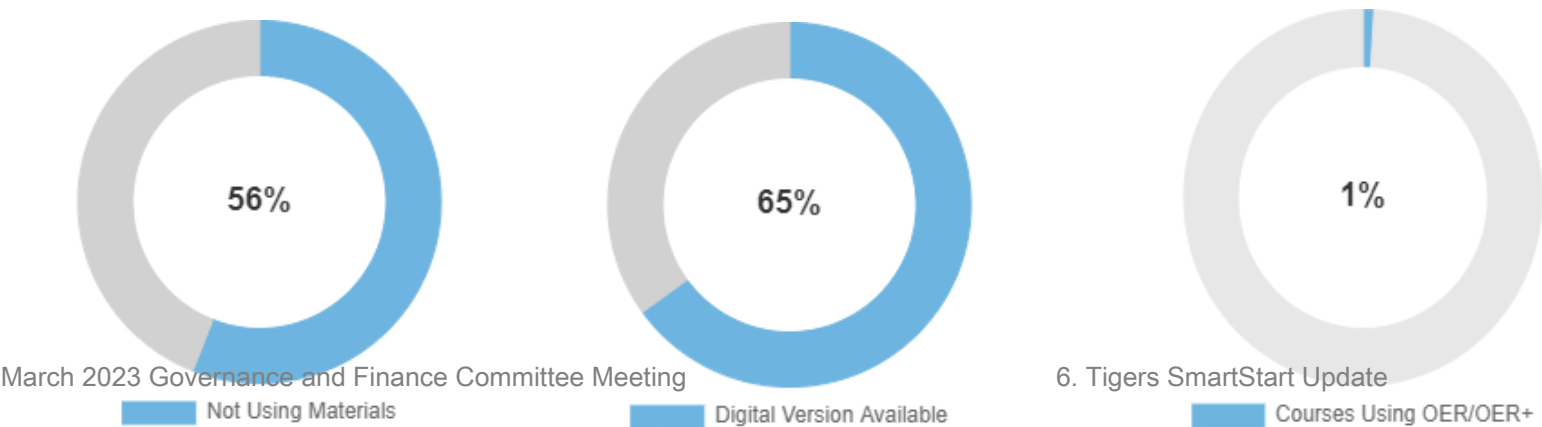
# Tigers SmartStart Update

Student Choice	UofM Students	Percentage of Eligible Students	National Average	Difference
Confirmations	5868	45%	40%	+5%
Opted Out	4539	34%	40%	-6%
No Action*	2606	20%	20%	0%

\*students who took no action have access to all of their digital materials and their physical books are ready for pick up where applicable



## Across all textbook adoptions



## Adoption Rate

92%

100% Lambuth  
100% Law  
92% Main Campus

## Areas of Focus Moving Forward

- Increasing general campus knowledge of the program
- Encouraging digital and OER material to ensure access early for more students and potential cost decreases to students
- Refining response times to students & faculty from the bookstore team
- Continuing to work on timely textbook adoptions and adoption rate
- Refining overall communication strategy
- Exploring further automation of systems for better real time information and accuracy
- Refining data to measure the success of the program longitudinally



## 7. Additional Business

Presented by Doug Edwards



## 8. Adjournment

Presented by Doug Edwards