



Finance, Audit, and Infrastructure
COMMITTEE

February 22, 2019
MEETING DATE

BOARD OF TRUSTEES

SUBJECT:

Monthly Financial Performance Reports Through January 31, 2019

PRESENTED BY: John Shipley

**BACKGROUND/CURRENT STATUS/MATTERS REQUIRING ACTION/
FINANCIAL IMPLICATIONS:**

FY2019 Financial Analysis #1

Revenue year to date

Year to date tuition and fees through January 31st were under budget by \$310K. Other revenue categories exceed budget for a total surplus to budget of \$1 million. Investment income includes \$400K unrealized gain in private equity investments booked in September 2018.

Revenue projected through year end

The tuition projection for the year is the actual amount booked as of February 11. Some variation will occur through the remainder of the semester. Student withdrawals between January 31 and February 11 resulted in a decline in tuition and fees and a shortfall of \$2.2 million is projected for the year. There will be a one-time adjustment to the WSU share of State Appropriations due to a change in the formula, resulting in a surplus for the year of \$900. A projected decline in auxiliary services revenue is mostly offset by an increase in investment income for the year. Overall, revenue is expected to be \$1.5 million under budget.

Expenses and transfers year to date

Compensation is directly in line with budget. The budget for the overages in the Contracted Labor & Information and Communications categories lies in the Other category. Transfers from one budget category to another are not reflected on this report. Scholarships and Fellowships are under budget YTD due to lower enrollment.

Expenses and transfers projected through year end

A surplus is expected in Compensation due to unfilled positions. Spending in excess of budget in the remaining categories is attributed to two factors. Transfers from one budget category to another are not reflected on this report (e.g. from the Other category). Authorization was given to departments to use carry forward funds specifically designated for research incentive funds (RIF) and contractually committed start-up funds for new faculty. Expenditures of \$2 million are projected for RIF and start-up that were not included in the original budget.

Overall, a surplus at year end of \$1 million is anticipated, roughly \$2 million under budget.

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BOARD RESOLUTION REQUESTED:

For information only

FY2018 to FY2019 Actual Comparison #2 - This report compares the actual results to date for the current fiscal year as a percent of the annual budget for the current fiscal year to the actual performance for the same time period of the previous year as a percent of the actual annual results of the previous year.

Total revenues and total expenses tracked well from 2018 to 2019, with 84% of revenue received in both years and 63% of budget expended year to date vs. 65% of year end in 2018. Variances in expense categories may be discussed as needed.

FY2018 to FY2019 Budget to Actual Variance #3 – This report presents the results for the month of January vs. budget and last year.

Tuition and fees were \$4.0M vs. budget of \$2.9M and last year \$3.0M. We do not budget tuition on a monthly basis, it is budgeted on a semester basis. This year classes started one week later than last year, resulting in later payments than last year.

State appropriations were higher than expected due to a recalculation of the subsidy. The decline in Sales and Services revenue is attributed to lower enrollment, therefore lower usage (e.g., housing).

Compensation is slightly higher for the month of January than budget and last year, but on budget year to date. Professional Services includes a \$200K payment to Wright State Physicians and \$100K for services at the Nutter Center. Information and Communications includes a payment of \$1.7M for electronic journals by the Library. In the past this invoice was paid in February thereby causing monthly comparisons to be skewed.