



**WRIGHT STATE
UNIVERSITY**

BOARD OF TRUSTEES

**Finance, Audit and Infrastructure
COMMITTEE**

May 22, 2020

MEETING DATE

SUBJECT:

Monthly Cash Report as of April 30, 2020

PRESENTED BY: Steve Sherbet

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

The cash forecast and accompanying graphs are attached for reference. The cash report is segregated between “working capital” or cash readily available for expenditure, and restricted investments, which are not liquid. Days cash on hand is calculated on working capital only, excluding restricted investments.

The beginning balance of cash and investments for FY2020 was \$20.8 million higher than the beginning of FY2019 (\$72.4 vs. \$51.6). Ending cash and investments as of April 30, 2020 was \$90.7 million, an increase of \$12.7 million over April 30, 2019.

The chart below shows a comparison to the prior year through March (in millions):

| | <u>FY2020</u> | <u>FY2019</u> | <u>Fav <Unfav></u> |
|----------------------|----------------------|----------------------|---------------------------------|
| Cash Inflows | \$274.3 | \$293.8 | <\$19.5> |
| Cash Outflows | <257.0> | <270.0> | 13.0 |
| Investment Income | 2.1 | 2.5 | < 0.4> |
| Perkins Reserve | <1.1> | 0.0 | <1.1> |
| Net Increase in Cash | 18.3 | 26.3 | <8.0> |

Cash inflows to last year negatively impacted by lower enrollment. Cash outflows positively impacted by lower payroll/benefit outflows due to natural attrition and position vacancies.

For the fiscal year, the ending cash and investment balance at June 30, 2020 is projected to be \$74.6 million, up \$2.3 million to the prior year. The forecast includes a \$3.3 million reduction in the State Share of Instruction funds for the remainder of the year.

Investment income forecasted at \$1.25 million, flat to the prior month. The forecast includes a significant reduction in private equity investment valuations. Federal Reserve rate cuts and COVID-19 concerns have negatively impacted yields and the market. \$1.6 million of net capital calls/distributions have been transferred from illiquid investments to working capital.

Days cash on hand at June 30, 2020 are projected to be 92 days, an increase of 9 days over FY2019. The 9 days improvement is attributable to positive operating cash flows (3.2 days), the shift of \$1.6 million from illiquid investments to working capital (2.3 days) and lower FY2020 budgeted operating expenses (base) (3.8 days).

BOARD RESOLUTION REQUESTED:

No action is required. For information only.