

## Wright State University

Board of Trustees Finance, Audit & Infrastructure Committee

Requirements of Financial Governance Policy  
June 2017

Financial Performance Benchmarks		
Benchmark	Requirement	Value at 6/30/17
Moody's Credit Rating	A2 – Stable	Baa2 - Outlook Negative
Primary Reserve Ratio (HLC)	Minimum 0.4	0.22
Viability Ratio (HLC)	>1.25	1.10
Short Term Liquidity Ratio (1 year)	> 1.15	1.07
Intermediate Liquidity Ratio (3 year)	> 1.00	1.06
Cash Flow Ratio (FB)	>0.00	-2.46%

### Governance of Purchases and Expenditures (at each applicable meeting)

- Notification to Finance Committee of purchases between \$150K and \$249K
- Approval by Finance Committee of purchases between \$250K and \$499K
- Approval by BOT of purchases > \$500K

Note 1: Capital projects will be submitted/approved based upon the total cost of the project. Once a project is approved, individual expenditures or contracts within an approved project which exceed the above thresholds do not need to be submitted again unless there is a cost overrun of greater than 5%.

Note2: External grants and contracts which are routinely ratified by the board do not require the individual expenditures and contracts within the total grant/contract award amount to be submitted for approval through this policy.

A list of the following expenditures will be provided annually (at the August Finance Committee meeting):

- A list of external consultants paid more than \$50K per fiscal year (listing name, amount, and purpose)
- A list of all stipends/allowances/bonuses paid by the university (listing amount and purpose of each)

### Financial Reporting

The following are required:

- Audited fiscal-year ending financial statements (presented in November of the following year).
- Monthly cash report including sources and uses of cash and projections for fiscal-year ending cash (presented at each Finance Committee meeting and posted on the web the 15<sup>th</sup> of the subsequent month).
- Actual versus budgeted monthly revenues and expenses, for each month year to-date, and revised year-end budget projections based upon actual experience (presented at each Finance Committee meeting and posted to the web the 15<sup>th</sup> of the subsequent month).
- 5-Year Trends for annual financial performance benchmarks and other financial data (submitted in November following the latest year presented).
- The board may determine additional reporting as we work through the budget remediation plan for 2018.

## Financial Trend Information

Primary Financial Indicators									
Indicator:	Target	FY13	FY14	FY15		FY16		FY17	
				With CU <sup>1</sup>	WSU Only	With CU <sup>2</sup>	WSU Only	With CU <sup>2</sup>	WSU Only
Higher Learning Commission CFI:									
Composite Financial Index	>=3.0	2.60	2.80	<b>1.80</b>	0.30	<b>0.60</b>	(0.60)	<b>0.60</b>	(0.90)
Primary Reserve Ratio	>=0.4	0.48	0.51	<b>0.43</b>	0.23	<b>0.27</b>	0.10	<b>0.22</b>	0.04
Return on Net Assets	TBD	0.00	0.02	<b>(0.04)</b>	(0.06)	<b>(0.07)</b>	(0.10)	<b>(0.05)</b>	(0.08)
Viability Ratio	>=1.25	1.78	1.90	<b>1.74</b>	0.89	<b>1.26</b>	0.45	<b>1.10</b>	0.02
Net Operating Revenue Ratio	.02-.04	(0.02)	(0.04)	<b>(0.09)</b>	(0.09)	<b>(0.13)</b>	(0.13)	<b>(0.09)</b>	(0.09)
1yr Liquidity Ratio	>1.15	0.93	0.89	1.20	<b>1.20</b>	1.04	<b>0.92</b>	1.09	<b>1.07</b>
3yr Liquidity Ratio	>1.0				<b>1.01</b>		<b>1.00</b>	1.11	<b>1.06</b>
Cash Flow Ratio (FB)	>0.0%	-6.16%	-2.45%	-2.82%	<b>-3.32%</b>	-3.98%	<b>-6.51%</b>	-1.83%	<b>-2.46%</b>
Debt Burden Ratio	<6.0%	2.30%	2.85%	2.61%	<b>2.57%</b>	2.44%	<b>2.50%</b>	2.52%	<b>2.62%</b>
Debt Coverage Ratio	TBD	1.40	0.78	(0.50)	<b>(0.81)</b>	(2.35)	<b>(2.31)</b>	(0.45)	<b>(0.93)</b>
Leverage Ratio	TBD	112.35%	111.57%	175.55%	<b>88.87%</b>	133.06%	<b>44.87%</b>	118.72%	<b>19.72%</b>
Age of Facility Ratio (years)	<=10	12.31	13.14	14.22	<b>14.29</b>	14.23	<b>14.56</b>	15.28	<b>15.69</b>
Total Applications Received *	N/A	14,714	14,991		16,833		16,692		14,560
Selectivity Ratio *	TBD	90%	88%		88%		87%		91%
Matriculation (Yield) Ratio *	TBD	53%	53%		51%		48%		48%
Total Tuition Discount Ratio	TBD	35.6%	33.8%		34.1%		36.6%		36.5%
University-Provided Financial Aid	TBD	15.7%	17.7%		17.4%		21.2%		22.4%

Secondary Financial Indicators									
Indicator:	Target	FY13	FY14	FY15		FY16		FY17	
				WSU Only	WSU Only	With CU	WSU Only	With CU	WSU Only
Senate Bill 6 Composite Score	>1.75	3.4	3.4	3.7	<b>2.4</b>	3.2	<b>2.1</b>	3.2	<b>0.8</b>
F-B Score	>1.75	2.68	2.86	3.31	<b>2.44</b>	2.9	<b>1.64</b>	2.94	<b>1.13</b>
Unrestricted Financial Resources to Debt Ratio	TBD	0.96	0.95		0.71		0.27		0.005
Total Financial Resources per Student	N/A	17,609	18,065		15,987		11,961		10,936
3-Year Average Operating Margin	N/A				3.42%		1.17%		-1.17%
Net Tuition per FTE Student	N/A	10,264	10,530		10,951		10,596		10,259
Operating Expenses per Student	N/A	29,853	28,049		28,070		28,952		28,461
State Appropriations per Student	N/A	6,406	6,217		6,253		6,391		6,754

With CU<sup>1</sup> - includes WSU Foundation as Discretely Presented Component Unit

With CU<sup>2</sup> - includes WSU Foundation and WSARC as Discretely Presented Component Units

**Financial Trend Information (continued)**

Revenue Analysis										
Revenue From:	FY13		FY14		FY15		FY16		FY17	
	\$	%	\$	%	\$	%	\$	%	\$	%
Tuition & Fees Gross	183,505,881	45%	183,489,135	48%	193,177,031	53%	195,419,847	53%	185,271,956	51%
Scholarship allowance	(40,992,000)	-10%	(39,258,000)	-10%	(42,595,000)	-12%	(46,960,000)	-13%	(44,883,000)	-12%
Tuition & Fees Gross, net	142,513,881	35%	144,231,135	38%	150,582,031	41%	148,459,847	40%	140,388,956	39%
State Appropriations	88,941,387	22%	85,147,583	22%	85,982,652	24%	89,548,056	24%	92,430,682	25%
Contracts and Grants	129,037,060	32%	99,036,141	26%	89,964,722	25%	95,080,825	26%	93,913,915	26%
Auxiliary Activities Gross	17,126,271	4%	11,872,712	3%	12,752,929	3%	13,796,491	4%	13,884,116	4%
Scholarship allowance	(1,961,000)	0%	(1,958,000)	-1%	(2,271,000)	-1%	(2,361,000)	-1%	(2,466,000)	-1%
Auxiliary Activities, net	15,165,271	4%	9,914,712	3%	10,481,929	3%	11,435,491	3%	11,418,116	3%
Investment Income	15,781,049	4%	17,550,178	5%	4,304,237	1%	(1,007,093)	0%	3,438,103	1%
Gifts	6,687,203	2%	7,351,158	2%	9,110,129	2%	10,000,042	3%	10,283,759	3%
Departmental Sales & Services	6,387,417	2%	5,883,282	2%	5,570,593	2%	4,942,974	1%	4,639,894	1%
Other	3,235,810	1%	11,259,070	3%	8,490,105	2%	12,537,036	3%	7,732,651	2%
Total	407,749,078	100%	380,373,259	100%	364,486,398	100%	370,997,178	100%	364,246,076	100%

Spending Analysis										
Spending On:	FY13		FY14		FY15		FY16		FY17	
	\$	Per FTE	\$	Per FTE	\$	Per FTE	\$	Per FTE	\$	Per FTE
Instruction	137,825,680	9,927	138,327,312	10,099	145,214,894	10,561	145,997,054	10,420	149,906,756	10,954
Academic Support	80,811,381	5,820	52,294,198	3,818	42,752,751	3,109	45,335,880	3,236	43,649,597	3,190
Student Services	19,278,178	1,389	21,018,558	1,535	23,139,563	1,683	23,594,931	1,684	21,914,369	1,601
Research & Sponsored Programs	32,378,563	2,332	32,452,899	2,369	33,351,264	2,426	38,482,471	2,747	33,853,848	2,474
Scholarships/Fellowships - Gross	63,293,170	4,559	59,972,859	4,379	63,611,609	4,626	69,180,648	4,938	65,086,101	4,756
Scholarship allowances	(40,992,000)	(2,952)	(39,258,000)	(2,866)	(42,595,000)	(3,098)	(46,960,000)	(3,352)	(44,883,000)	(3,280)
Scholarships/Fellowships, net	22,301,170	1,606	20,714,859	1,512	21,016,609	1,528	22,220,648	1,586	20,203,101	1,476
Institutional Support	33,916,434	2,443	36,341,106	2,653	37,384,558	2,719	41,407,398	2,955	37,843,017	2,765
Public Service	16,340,922	1,177	16,547,495	1,208	17,186,778	1,250	20,844,140	1,488	18,649,215	1,363
Operations & Maintenance	23,836,186	1,717	23,953,747	1,749	23,915,921	1,739	24,414,704	1,743	20,649,960	1,509
Auxiliary	26,363,074	1,899	21,052,874	1,537	21,045,091	1,531	22,576,586	1,611	22,646,731	1,655
Depreciation	21,421,353	1,543	21,479,211	1,568	20,948,678	1,524	20,768,503	1,482	20,165,432	1,474
Total Operating Expenses	414,472,941	29,853	384,182,259	28,049	385,956,107	28,070	405,642,315	28,952	389,482,026	28,461
Interest Expense	3,723,349	268	3,401,986	248	3,176,637	231	3,231,964	231	3,088,446	226
Total Expenses	418,196,290	30,121	387,584,245	28,297	389,132,744	28,301	408,874,279	29,182	392,570,472	28,686

Other Performance Data					
	FY13	FY14	FY15	FY16	FY17
Total FTE Enrollment	13,884	13,697	13,750	14,011	13,685
Total Financial Resources	244,485,907	247,429,567	71,233,058	24,882,804	414,625
Total Direct Debt	114,402,042	106,769,168	99,932,140	92,936,177	85,733,544
Total Operating Revenue	407,749,078	380,373,259	364,486,398	370,997,178	364,246,076
Reliance on Tuition & Auxiliary Revenue as a % of Operating Revenue	38.67%	40.52%	44.19%	43.10%	41.68%
Reliance on State Appropriations Revenue as a % of Operating Revenue	21.81%	22.39%	23.59%	24.14%	25.38%

## Financial Trend Information

Applications, Selectivity and Matriculation Details					
Indicator:	FY13	FY14	FY15	FY16	FY17
Total Applications Received *	14,714	14,991	16,833	16,692	14,560
International	2,367	3,087	3,606	3,180	1,924
International, Undergraduate	560	586	780	482	383
International, Graduate	1,809	2,574	2,886	2,724	1,569
Domestic	12,347	11,906	13,235	13,512	12,636
Domestic, CCP	302	330	1,161	1,340	1,452
Domestic, Undergraduate	10,321	10,005	10,349	10,379	9,485
Domestic, Graduate	1,751	1,600	1,748	1,815	1,736
Selectivity Ratio	90%	88%	88%	87%	91%
International	69%	57%	61%	58%	67%
International, Undergraduate	96%	94%	94%	86%	91%
International, Graduate	65%	49%	53%	53%	62%
Domestic	94%	97%	95%	94%	95%
Domestic, CCP	94%	94%	98%	91%	92%
Domestic, Undergraduate	95%	98%	96%	97%	97%
Domestic, Graduate	86%	90%	88%	82%	84%
Matriculation (Yield) Ratio	53%	53%	51%	48%	48%
International	44%	35%	33%	20%	20%
International, Undergraduate	48%	34%	31%	24%	30%
International, Graduate	42%	36%	34%	19%	17%
Domestic	55%	55%	55%	53%	51%
Domestic, CCP	67%	66%	56%	69%	70%
Domestic, Undergraduate	51%	53%	52%	48%	47%
Domestic, Graduate	72%	70%	71%	69%	61%

\*Information provided is as of census date for term to which student applied, was admitted and/or enrolled; and Subtotals within International and Domestic may not add up to Totals due to inconsistencies in application process

*Note: Data provided by Institutional Research for use in reporting to the Wright State University Board of Trustees in compliance with Wright State University's Financial Governance Plan. These data points do not represent those supplied to IPEDS (Integrated Postsecondary Education Data System).*