

**Finance, Audit and Infrastructure Committee
Meeting of January 24, 2020**

Minutes

Present: D. Fecher, M. Grunder, T. Gunlock, B. Langos, G. Ramos, V. Soin, S. Wenrick

Guests: T. Bedwell, J. Creeden, S. Edwards, J. Hensley, S. Mickey-Boggs, L. Luehrmann, G. Sample, S. Sherbet, S. Todd, L. Sidor, C. Woolley

Mr. Marty Grunder, committee chair, called the meeting to order at 9:02 a.m., welcomed everyone and introduced Mr. Tom Gunlock, a past Board of Trustee for Miami University, who Governor DeWine was kind enough to take him from Miami and Tom agreed to come to Wright State. Mr. Grunder read the conflict of interest statement.

Committee Chair Comments

Mr. Grunder announced we should have a good but brief meeting and get some updates. He then turned the meeting over to Mr. Greg Sample, chief operating officer.

Chief Operating Officer Comments

Mr. Greg Sample, chief operating officer, introduced his team which included Mr. Steve Sherbet, university bursar and director of treasury services, and Ms. Sommer Todd, director of university fiscal services. Mr. Sample asked the business managers to stand and be recognized as part of Sommer Todd's team. Lori Sidor, university controller, who is helping with the external audit, was also introduced.

Steve Sherbet has decided to retire after 29 years of service as Bursar. We are in the middle of a search for a CFO. As soon as that search concludes, we will begin a search for a Bursar; and Steve has agreed to work with us in that process through April.

Monthly Financial Performance Reports

Mr. Sample announced Sommer Todd will present the monthly financial reports.

Ms. Todd stated there were no significant changes this month. The year-end numbers will be updated at the end of January when the final tuition number revenue is in. We are going to focus on looking at not only tuition but to reforecast the facilities and administrative because it is slightly down. Also, we are working with the Bursar's Office to look at the interest income because it is up compared to what was originally forecasted. There were no questions on the reports.

Mr. Sherbet pointed out a few observations in Attachment 5, Working Capital for Cash Sources and Cash Uses, July through December, that's about a \$13 M swing during the first six months where sources are higher than uses. In our forecast from January through the end of the FY June, it reverses, in the total year end, basically a break even, \$313 M in Cash Sources and \$313 M in Uses. FY19 Cash Sources totaled \$337 M vs. Cash Uses of \$316 M, a roughly \$20 M positive difference. It will become more challenging as we construct the budget for FY21 because we have reached the point where all the hard and difficult cuts that we have made in the past have been reached, so enrollment and revenue is key to being able to make a difference in improving our situation. It demonstrates the critical need to stabilize enrollment and start to boost enrollment back up.

Looking at the illiquid investments, section two, from investment earnings the Raider student-managed asset management for the first six months is just over \$402,000 in investment income. Two other line items, which relate to our two private equity investments, the capital calls and redemptions, one small capital call back in October and that was on the SEI private equity investment but we also had a cash distribution of almost \$356,000 and still netted out to a positive.

For the current fiscal year ending June 30, 2020, we are forecasting no further capital calls or distributions from the private equity investments. So, if you net the capital call of \$178 K against the distributions of \$1,457,000 the university received during the first six months of FY2020, this reduced the illiquid investments by almost \$1.3 M and increased the liquid working capital assets by the same amount. So, the bottom line is these investments are performing well and have contributed back to the liquid portion of working capital which has helped to improve slightly our days cash on hand. There were no questions on the reports.

Attachment 6 is the standard graphs. The green top line shows a positive balance although it closes toward the end of the fiscal year as cash is spent down during the second half of the fiscal year. We are forecasting a slight improvement in our days cash on hand for the ending of FY20, 89 days vs 83 days.

Mr. Fecher congratulated the whole university. The graphs show a lot of hard work and sacrifice of the university. We are not where we need to be and we are not out of the woods. At least the reserves are now showing towards the top of these graphs vs. the bottom of the graphs.

Links to the monthly financial performance report summaries:

Financial Reports Summary:

http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%201%20Monthly%20Financial%20Report%20as%20of%20Dec%2031_2020%200112.pdf

Monthly Cash Report Summary:

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%205%20Cash%20Report%20as%20of%20December%202019.pdf.pdf>

Contracts \$500,000 and Above

Mr. Greg Sample, chief operating officer, presented an add-on to the existing Ohlmann Group vendor contract bringing it up to \$725,000 for additional revenue generation to put the Wright State name back out into the market place.

The committee discussed traditional and digital marketing.

Full details of the expenditures can be found here:

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Feb/meeting/FAI%208%20January%20Contracts%20%24500%20and%20over.pdf>

With a motion from Mr. Grunder and a second from Mr. Langos, the following resolution is before the full Board for approval.

RESOLUTION-20

WHEREAS, in order for the university to conduct business on an on-going basis, and provide products and services in a timely manner, purchases must be made; and

WHEREAS, these expenditures may exceed \$500,000; therefore, be it

RESOLVED that authorization is granted for the accompanying contracts now before the Board of Trustees be, and hereby are approved.

I offer this Motion:

Is there a Second:

Roll Call Vote:

Approval of contracts \$250,000 to \$499,999

A contract for digital media buying services was before the Committee for consideration.

Full details of the expenditures can be found here:

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%2010%20January%20Contracts%20%24250-%20%24499.pdf>

With a motion from Mr. Grunder and a second from Mr. Fecher, the following resolution was unanimously approved by the Finance, Audit and Infrastructure Committee. No further action is necessary.

RESOLUTION: Approved by the FAI Committee

WHEREAS, in order for the university to conduct business on an on-going basis, and provide products and services in a timely manner, purchases must be made; and

WHEREAS, these expenditures may amount to greater than \$250,000 and less than \$500,000; therefore, be it

RESOLVED that authorization is granted for the accompanying contract now before the Finance, Audit and Infrastructure Committee of the Board of Trustees be, and hereby are approved.

Investment Reports

Mr. Sherbet, university bursar and director of treasury services, presented the SEI investment report ending December 31, 2019. The investments are performing well and recommend that we stay with these investments.

The Committee discussed the maturity dates of the alternative investments. The Board continues to maintain their conservative, risk adverse investment strategy and continues to look for opportunities to divest the two alternative investments without a substantial loss.

The Investment Reports can be accessed here:

<http://www.wright.edu/board-of-trustees/meetings/meeting/372616>

External Auditor's Report

Mr. Sample introduced Mr. Jim Creeden, managing partner, BKD external auditor.

Mr. Creeden stated an audit was performed of the financial statements as of June 30, 2019, which has been submitted to the Auditor of the State. The release of the final report from the state has not occurred.

Executive Session

Mr. Grunder requested to meet with the Finance, Audit and Infrastructure Committee in executive session to discuss matters required to be kept confidential pursuant to federal law or state law and pending or imminent court action, and

In accordance with the Ohio Open Meetings Law, the Wright State University Board of Trustees Finance, Audit and Infrastructure Committee, after a majority of a quorum and by roll call vote, determined to hold a Special Executive Session by offering the following resolution:

RESOLUTION 20-34

RESOLVED that the Wright State University Board of Trustees Finance, Audit, and Infrastructure Committee agreed to hold a Special Executive Session on Friday, January 24, 2020 at 9:37 a.m.; and be it further

RESOLVED that pursuant to the Ohio Revised Code 121.22 (G), the following issues may be discussed in Executive Session:

- Matters required to be kept confidential pursuant to federal law or state law
- Pending or imminent court action

Mr. Grunder moved for approval. Mr. Fecher seconded, and the motion was unanimously approved by roll call vote.

The meeting was adjourned at 11:53 a.m.

Respectfully Submitted,
Teresa Bedwell