



**WRIGHT STATE
UNIVERSITY**

BOARD OF TRUSTEES

**Finance, Audit and Infrastructure
COMMITTEE**

**September 17, 2020
MEETING DATE**

SUBJECT:

Monthly Cash Report as of July 31, 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 FY2021 was \$11.7 million higher than the beginning of FY2020 (\$84.1 vs. \$72.4). Ending cash and investments as of July 31, 2020 was \$83.9 million, an increase of \$18.5 million over July 31, 2020. Cash balances and activity includes both unrestricted and restricted university funds. The \$83.9 million includes approximately \$1.7 million of Nutter Center advance ticket sales for events which will be paid out later in FY21.

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

	<u>FY2021</u>	<u>FY2020</u>	<u>Fav <Unfav></u>
Cash Inflows	\$24.9	\$21.3	\$3.6
Cash Outflows	<25.0>	<28.2>	3.2
Investment Income	0.0	0.1	< 0.1>
Perkins Reserve	<0.1>	<0.1>	0.0
Net Increase in Cash	0.2	<6.9>	6.7

The positive cash inflow variance is due to receipt of \$1.8 million in CARES Institutional fund reimbursement and the timing of cash inflows. Cash outflows positively impacted by lower operational costs compared to the prior year.

For the fiscal year, the ending cash and investment balance at June 30, 2021 is projected to be \$70.6 million, down \$13.5 million to the prior year. Lower payroll/benefit outflows are not enough to offset lost tuition revenue due to lower enrollment, decreased State Share of Instruction funding, additional operational costs associated with COVID-19 and payout of Nutter Center events postponed from FY20.

Investment income forecasted at \$150 thousand, down \$2.1 million to the prior year. The forecast does not include any income for the private equity or student managed accounts due to the volatility/uncertainty of the equity markets. Federal Reserve rate cuts have negatively impacted yields on the working capital investments.

Days cash on hand as of June 30, 2021 is projected to be 91 days, a decrease of 15 days over FY2020. The 15 days decrease is attributable to negative operating cash flows (-20.5 days) offset by the shift of illiquid investments to working capital (0.1 days) and lower FY2021 forecasted operating expenses (base) (5.3 days).

BOARD RESOLUTION REQUESTED:

No action is required. For information only.