



SUBJECT: Monthly Cash Report as of November 30, 2020

PRESENTED BY: Don Borowy

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

The cash forecast and accompanying graphs are attached for reference.

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 November 30, 2020 was \$101.6 million, an increase of \$21.2 million over November 30, 2019. Cash balances and activity includes both unrestricted and restricted university funds. The \$101.6 million includes approximately \$1.7 million of Nutter Center advance ticket sales for events which will be paid out in FY21/FY22.

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

	<u>FY2021</u>	<u>FY2020</u>	<u>Fav <Unfav></u>
Cash Inflows	\$129.9	\$139.0	<\$9.1>
Cash Outflows	<112.0>	<131.1>	19.1
Investment Income	0.2	0.7	<0.5>
Perkins Reserve	<0.6>	<0.6>	0.0
Net Increase in Cash	17.5	8.0	9.5

FY2021 YTD cash inflow includes \$12.5 million in COVID-19 Institutional funds which helped offset lower tuition, SSI funding and Sales & Service collections. Cash outflows positively impacted by lower payroll/benefit outflows and operational costs compared to the prior year. Payroll/benefit outflows lower due to faculty VRIP, natural attrition and position reductions. Operational costs lower primarily due to the continued freeze on procurement cards and reduced discretionary spending.

For the fiscal year, the ending cash and investment balance at June 30, 2021 is projected to be \$68.8 million, down \$15.3 million to the prior year. Lower payroll/benefit outflows are not expected to be enough to offset lost tuition revenue (lower enrollment), decreased SSI funding, decreased sales & service revenue and payout of Nutter Center events postponed from FY20.

Investment income forecasted at \$333 thousand, down \$2.3 million to the prior year. The forecast does not include income for the private equities to be conservative (prior year included \$1.1 million in private equity earnings). 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 88 days, a decrease of 18 days compared to FY2020. The 18 days decrease is attributable to negative operating cash flows (-23.5 days) offset by the shift of illiquid investments to working capital (0.5 days) and lower FY2021 forecasted operating expenses (base) (5.2 days). Days cash on hand is calculated on working capital only.

BOARD RESOLUTION REQUESTED: No action is required. For information only.