



**WRIGHT STATE
UNIVERSITY**

BOARD OF TRUSTEES

**Finance, Audit and Infrastructure
COMMITTEE**

June 18, 2021

MEETING DATE

SUBJECT: Monthly Cash Report as of May 31, 2021

PRESENTED BY: Don Borowy

The cash forecast and accompanying graphs are attached for reference. Cash balances and activity includes both unrestricted and restricted university funds.

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 May 31, 2021 was \$123.3 million, an increase of \$35.7 million over May 31, 2020. The \$123.3 million includes approximately \$1.6 million of Nutter Center advance ticket sales for events which will be paid out in FY22.

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

| | <u>FY2021</u> | <u>FY2020</u> | <u>Fav <Unfav></u> |
|----------------------|---------------|---------------|--------------------------|
| Cash Inflows | \$278.1 | \$295.6 | <\$17.5> |
| Cash Outflows | <247.4> | <281.3> | 33.9 |
| Investment Income | 9.7 | 2.2 | 7.5 |
| Perkins Reserve | <1.2> | <1.3> | 0.1 |
| Net Increase in Cash | 39.2 | 15.2 | 24.0 |

FY2021 YTD cash inflows includes \$18.2 million in COVID-19 institutional funds and \$3.5 million in property sales which helped offset lower tuition, SSI funding, gifts/other 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. Investment income \$7.5 million favorable mainly due to the \$8.8 million Venture Investment Associates (VIA) private equity valuation increase.

For the full fiscal year, ending cash and investment balance at June 30, 2021 is projected to be \$119.1 million, up \$35.0 million to the prior year. The chart below shows a full year comparison to the prior year (in millions):

| | <u>Forecast</u> <u>FY2021</u> | <u>Actual</u> <u>FY2020</u> | <u>Fav <Unfav></u> |
|----------------------|----------------------------------|--------------------------------|--------------------------|
| Cash Inflows | \$298.3 | \$314.6 | <\$16.3> |
| Cash Outflows | <269.7> | <304.0> | 34.3 |
| Investment Income | 7.7 | 2.6 | 5.1 |
| Perkins Reserve | <1.3> | <1.5> | 0.2 |
| Net Increase in Cash | 35.0 | 11.7 | 23.3 |

Cash inflows and outflows includes the impact of COVID related stimulus packages. Excluding the benefit of one-time cash inflows (property sales and investment income) and COVID related lower expenditures, the net increase in cash would have been approximately \$14.5 million.

Days cash on hand as of June 30, 2021 is projected to be 175 days, an increase of 69 days over FY2020. The 69 days increase is attributable to positive operating cash flows (44.5 days); the shift of illiquid investments to working capital (11.9 days) and lower FY2021 forecasted operating expenses (base) (12.9 days). Excluding the benefit of one-time cash inflows and COVID related lower expenditures, days cash on hand would have been 154 days.

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