

WRIGHT STATE UNIVERSITY

FINANCE, AUDIT and INFRASTRUCTURE COMMITTEE

November 17, 2017

Financial Statement Summary

Fiscal Year Ended June 30, 2017

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Net Position
June 30, 2017 and 2016

	2017	2016
Current assets:		
Cash and cash equivalents	\$ 22,954,904	\$ 16,967,812
Short-term investments	8,655,941	3,764,610
Accounts receivable (net of allowance for doubtful accounts of \$1,420,000 in 2017 and \$1,655,000 in 2016)	31,816,677	31,497,887
Loans receivable (net of allowance for doubtful loans of \$3,278,000 in 2017 and \$3,369,000 in 2016)	3,707,359	4,350,723
Inventories	131,312	124,873
Prepaid expenses	1,357,028	1,151,299
Advanced charges	2,703,452	3,505,693
Total current assets	71,326,673	61,362,897
Noncurrent assets:		
Restricted cash and cash equivalents	1,436,316	4,133,030
Loans receivable (net of allowance for doubtful loans of \$86,000 in 2017 and \$95,000 in 2016)	8,506,568	9,412,710
Other assets	136,000	169,568
Other long-term investments	10,308,226	43,649,395
Capital assets, net	369,244,501	375,898,675
Total noncurrent assets	389,631,611	433,263,378
Total assets	460,958,284	494,626,275
Deferred outflows of resources:		
Bond refunding	354,087	383,594
Pension related	77,324,255	49,849,147
Total assets and deferred outflows of resources	\$ 538,636,626	\$ 544,859,016
Current liabilities:		
Accounts payable trade and other	\$ 10,537,285	\$ 14,062,116
Accrued liabilities	14,809,409	15,047,433
Unearned revenue	23,135,132	24,428,669
Refunds and other liabilities	1,014,039	854,071
Current portion of noncurrent liabilities	16,967,051	12,202,633
Total current liabilities	66,462,916	66,594,922
Noncurrent liabilities:		
Unearned revenue	1,601,009	1,921,211
Net pension liability	338,291,085	278,245,869
Noncurrent liabilities	90,953,323	97,233,544
Total noncurrent liabilities	430,845,417	377,400,624
Deferred inflows of resources	3,957,061	16,361,428
Total liabilities and deferred inflows of resources	501,265,394	460,356,974
Net position:		
Net investment in capital assets	285,387,131	287,556,322
Restricted - expendable:		
Instruction and departmental research	9,886	8,461
Separately budgeted research	1,700	
Loans	16,481,781	16,812,605
Unrestricted	(264,509,266)	(219,875,346)
Total net position	37,371,232	84,502,042
Total liabilities, deferred inflows of resources, and net position	\$ 538,636,626	\$ 544,859,016

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowances of \$44,883,000 in 2017 and \$46,960,000 in 2016)	\$ 140,388,956	\$ 148,459,847
Federal grants and contracts	35,696,281	29,560,722
State grants and contracts	6,502,919	5,446,520
Local grants and contracts	819,024	544,873
Nongovernmental grants and contracts	27,515,814	33,745,355
Sales and services	4,639,894	4,942,974
Auxiliary enterprises sales (net of scholarship allowances of \$2,466,000 in 2017 and \$2,361,000 in 2016)	11,418,116	11,435,491
Other operating revenues	3,338,412	4,037,397
Total operating revenues	230,319,416	238,173,179
OPERATING EXPENSES		
Educational and general:		
Instruction and departmental research	157,545,483	145,334,728
Separately budgeted research	36,050,052	38,949,072
Public service	19,834,597	21,008,075
Academic support	46,243,898	45,920,598
Student services	23,341,171	23,992,085
Institutional support	41,099,638	42,321,373
Operation and maintenance of plant	21,603,607	24,708,558
Scholarships and fellowships	20,211,247	22,220,978
Total educational and general	365,929,693	364,455,467
Auxiliary enterprises	23,552,642	22,829,464
Depreciation	20,165,432	20,768,503
Total operating expenses	409,647,767	408,053,434
Operating (loss)	(179,328,351)	(169,880,255)
NONOPERATING REVENUES (EXPENSES):		
State appropriations	92,430,682	89,548,056
Federal grants	19,494,081	21,329,254
State grants	3,885,796	4,454,101
Gifts	10,283,759	10,000,042
Investment income (loss) (net of investment expenses of \$218,000 in 2017 and \$420,000 in 2016)	3,438,103	(1,007,093)
Interest on capital asset-related debt	(3,088,446)	(3,231,964)
Other nonoperating (expenses)	(104,987)	(1,269,215)
Net nonoperating revenues (expenses)	126,338,988	119,823,181
 (Loss) before other revenues, expenses, gains and losses	 (52,989,363)	 (50,057,074)
Capital appropriations from the State of Ohio	4,394,239	8,499,639
Capital grants and gifts	1,464,314	4,174,565
(Decrease) in net position	(47,130,810)	(37,382,870)
NET POSITION		
Net position - beginning of year	84,502,042	121,884,912
Net position - end of year	\$ 37,371,232	\$ 84,502,042

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees	\$ 138,065,293	\$ 147,481,060
Federal, state, local, and nongovernmental grants and contracts	71,849,413	66,449,371
Sales and services of educational and other departmental activities	3,070,683	4,943,392
Payments to employees	(207,578,867)	(212,663,091)
Payments for benefits	(62,712,528)	(62,978,926)
Payments to suppliers	(68,921,353)	(80,220,672)
Payments for scholarships and fellowships	(18,614,023)	(22,367,547)
Student loans issued	(1,395,817)	(1,380,539)
Student loans collected	2,945,323	2,984,444
Student loan interest and fees collected	390,166	439,811
Auxiliary enterprise sales	11,510,740	11,194,439
Net cash (used) by operating activities	(131,390,970)	(146,118,258)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	92,430,682	89,548,056
Direct lending receipts	94,569,364	96,119,114
Direct lending disbursements	(94,501,561)	(96,182,433)
Grants for noncapital purposes	23,379,877	25,783,355
Gifts	9,913,819	9,963,178
Net cash provided by noncapital financing activities	125,792,181	125,231,270
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations from the State of Ohio	4,949,310	7,766,347
Capital grants and gifts received	1,340,765	2,821,135
Purchases of capital assets	(19,644,518)	(29,393,285)
Proceeds from sales of capital assets	366,890	48,530
Principal paid on capital debt and leases	(6,882,338)	(6,682,255)
Interest paid on capital debt and leases	(3,408,741)	(3,545,672)
Bond interest subsidy	314,238	329,730
Net cash (used) by capital and related financing activities	(22,964,394)	(28,655,470)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	47,768,754	108,619,135
Interest on investments	507,671	130,470
Purchase of investments	(16,422,864)	(67,749,912)
Net cash provided by investing activities	31,853,561	40,999,693
Net Increase/(Decrease) in Cash and Cash Equivalents	3,290,378	(8,542,765)
Cash and Cash Equivalents - Beginning of Year	21,100,842	29,643,607
Cash and Cash Equivalents - End of Year	\$ 24,391,220	\$ 21,100,842

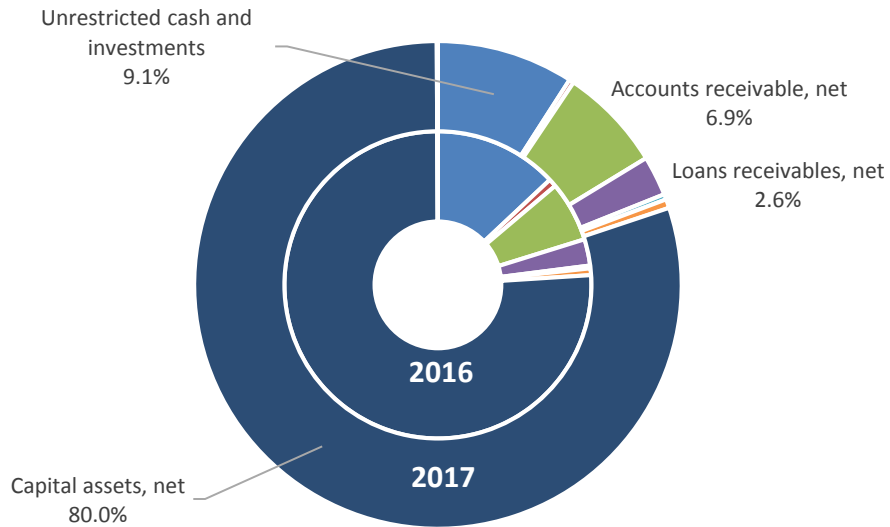
WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of net operating (loss) to net cash (used) by operating activities:		
Operating loss	\$ (179,328,351)	\$ (169,880,255)
Depreciation and amortization	19,874,737	20,477,808
Provision for doubtful accounts	349,274	677,695
Provision for doubtful loans	164,549	(37,654)
Pension expense	20,165,741	2,411,119
Changes in assets and liabilities:		
Accounts receivable	(935,427)	3,713,224
Inventories	(6,439)	(10,980)
Prepaid expenses	(205,729)	(11,719)
Advanced charges	802,241	273,961
Other assets	33,568	(22,899)
Accounts payable	1,994,672	(1,087,147)
Accrued liabilities	(238,024)	135,281
Unearned revenue	(1,293,537)	(4,027,244)
Compensated absences	(1,700,000)	300,000
Voluntary retirement incentive	7,386,830	
Refunds and other liabilities	159,968	(671,007)
Loans to students and employees	1,384,957	1,641,559
Net cash (used) by operating activities	<u>\$ (131,390,970)</u>	<u>\$ (146,118,258)</u>
Noncash Transactions:		
Donated Capital Assets	<u>\$ 123,549</u>	<u>\$ 1,344,195</u>
Purchases of capital assets in accounts payable	<u>\$ 276,826</u>	<u>\$ 5,750,831</u>

WRIGHT STATE UNIVERSITY
A Component Unit of the State of Ohio
Statements of Net Position
Excluding GASB68 Related Entries
June 30, 2017 and 2016

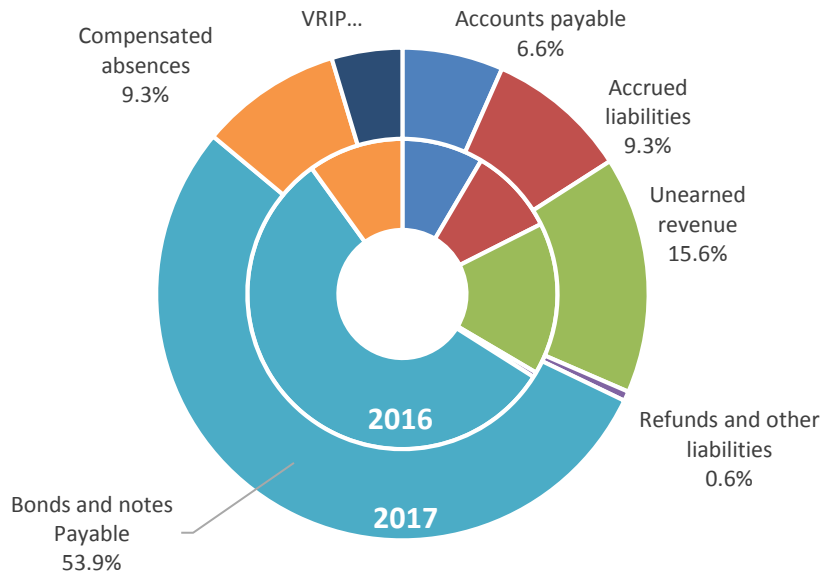
	2017	2016
Current assets:		
Cash and cash equivalents	\$ 22,954,904	\$ 16,967,812
Short-term investments	8,655,941	3,764,610
Accounts receivable (net of allowance for doubtful accounts of \$1,420,000 in 2017 and \$1,655,000 in 2016)	31,816,677	31,497,887
Loans receivable (net of allowance for doubtful loans of \$3,278,000 in 2017 and \$3,369,000 in 2016)	3,707,359	4,350,723
Inventories	131,312	124,873
Prepaid expenses	1,357,028	1,151,299
Advanced charges	2,703,452	3,505,693
Total current assets	71,326,673	61,362,897
Noncurrent assets:		
Restricted cash and cash equivalents	1,436,316	4,133,030
Loans receivable (net of allowance for doubtful loans of \$86,000 in 2017 and \$95,000 in 2016)	8,506,568	9,412,710
Other assets	136,000	169,568
Other long-term investments	10,308,226	43,649,395
Capital assets, net	369,244,501	375,898,675
Total noncurrent assets	389,631,611	433,263,378
Total assets	460,958,284	494,626,275
Deferred outflows of resources:		
Bond refunding	354,087	383,594
Total assets and deferred outflows of resources	\$ 461,312,371	\$ 495,009,869
Current liabilities:		
Accounts payable trade and other	\$ 10,537,285	\$ 14,062,116
Accrued liabilities	14,809,409	15,047,433
Unearned revenue	23,135,132	24,428,669
Refunds and other liabilities	1,014,039	854,071
Current portion of noncurrent liabilities	16,967,051	12,202,633
Total current liabilities	66,462,916	66,594,922
Noncurrent liabilities:		
Unearned revenue	1,601,009	1,921,211
Noncurrent liabilities	90,953,323	97,233,544
Total noncurrent liabilities	92,554,332	99,154,755
Deferred inflows of resources		
Total liabilities and deferred inflows of resources	159,017,248	165,749,677
Net Position:		
Net investment in capital assets	285,387,131	287,556,322
Restricted - expendable:		
Instruction and departmental research	9,886	8,461
Separately budgeted research	1,700	
Loans	16,481,781	16,812,605
Unrestricted	414,625	24,882,804
Total net position	302,295,123	329,260,192
Total liabilities and deferred inflows of resources and net position	\$ 461,312,371	\$ 495,009,869

**Wright State University
Assets and Deferred Outflows of Resources
Excluding GASB 68
Fiscal Years 2017 and 2016**



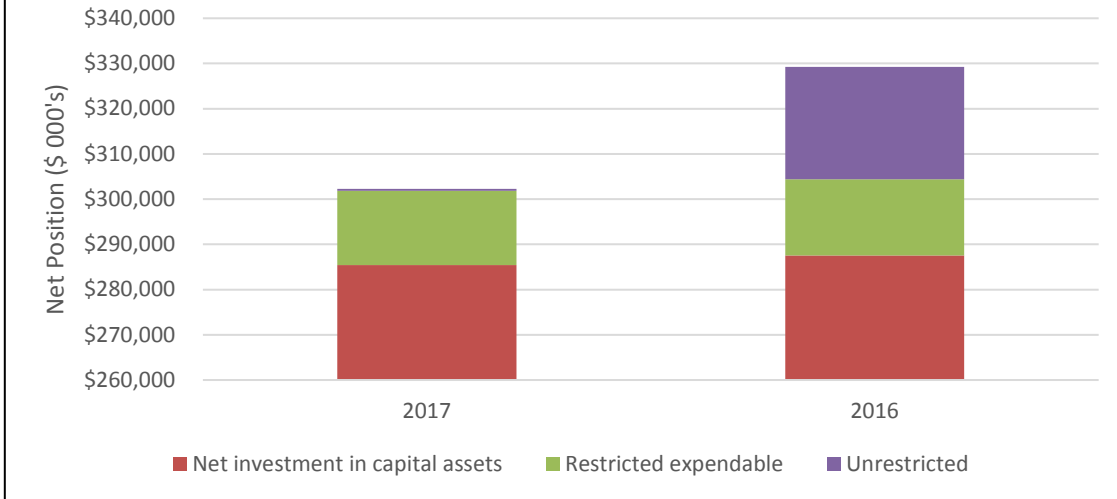
Description	2017		2016		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
Unrestricted cash and investments	\$ 41,919,071	9.1%	\$ 64,381,817	13.0%	\$(22,462,746)	66.7%
Restricted cash	1,436,316	0.3%	4,133,030	0.8%	(2,696,714)	8.0%
Accounts receivable, net	31,816,677	6.9%	31,497,887	6.4%	318,790	-0.9%
Loans receivables, net	12,213,927	2.6%	13,763,433	2.8%	(1,549,506)	4.6%
Inventories, prepaid expenses, other assets	1,624,340	0.4%	1,445,740	0.3%	178,600	-0.5%
Advanced charges	2,703,452	0.6%	3,505,693	0.7%	(802,241)	2.4%
Capital assets, net	369,244,501	80.0%	375,898,675	75.9%	(6,654,174)	19.7%
Deferred outflows	354,087	0.1%	383,594	0.1%	(29,507)	0.1%
Total	\$ 461,312,371	100.0%	\$ 495,009,869	100.0%	\$(33,697,498)	100.0%

**Wright State University
Liabilities
Excluding GASB 68
Fiscal Years 2017 and 2016**



Description	2017		2016		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
Accounts payable	\$ 10,537,285	6.6%	\$ 14,062,116	8.5%	\$ (3,524,831)	52.4%
Accrued liabilities	14,809,409	9.3%	15,047,433	9.1%	(238,024)	3.5%
Unearned revenue	24,736,141	15.6%	26,349,880	15.9%	(1,613,739)	24.0%
Refunds and other liabilities	1,014,039	0.6%	854,071	0.5%	159,968	-2.4%
Bonds and notes Payable	85,733,544	53.9%	92,936,177	56.1%	(7,202,633)	107.0%
Compensated absences	14,800,000	9.3%	16,500,000	10.0%	(1,700,000)	25.3%
VRIP	7,386,830	4.6%			7,386,830	-109.7%
Total	\$ 159,017,248	100.0%	\$ 165,749,677	100.0%	\$ (6,732,429)	100.0%

**Wright State University Net Position
Excluding GASB 68
Fiscal Years 2017 and 2016**

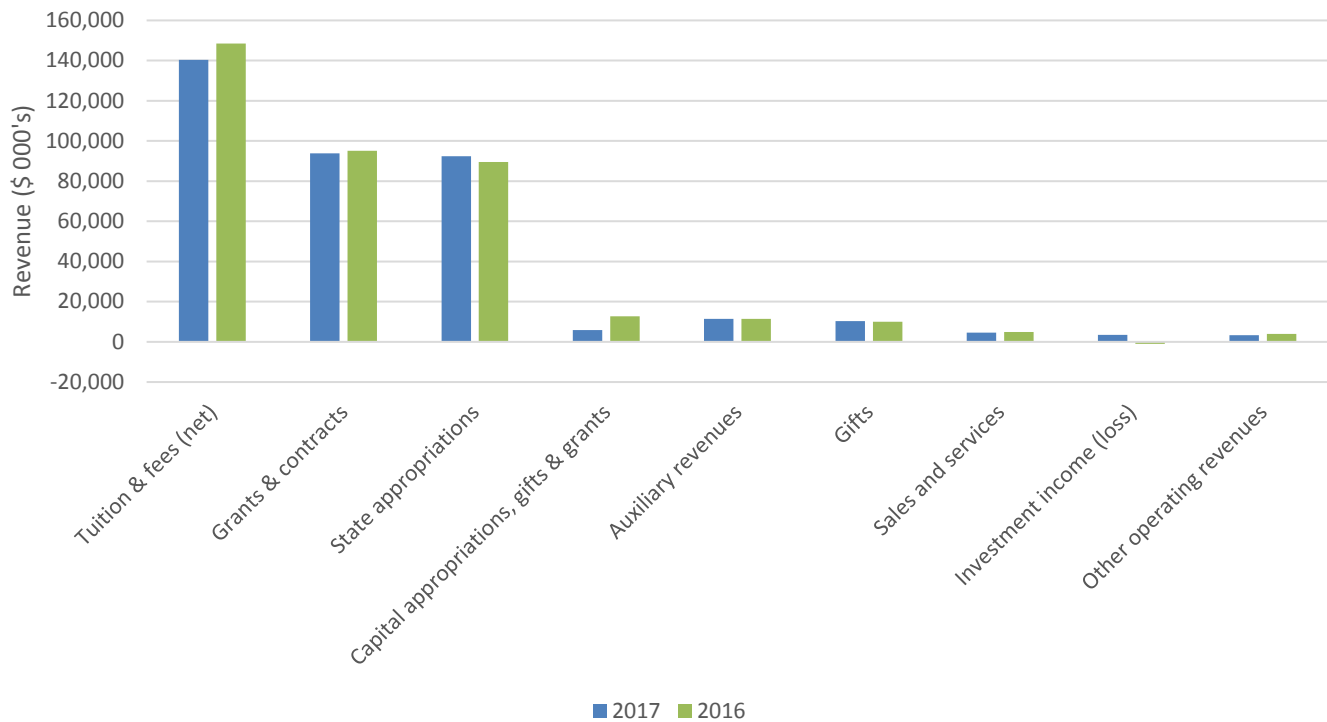


	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>
Net investment in capital assets	\$ 285,387,131	\$ 287,556,322	\$ (2,169,191)
Restricted expendable	16,493,367	16,821,066	(327,699)
Unrestricted	414,625	24,882,804	(24,468,179)
Total net position	<u>\$ 302,295,123</u>	<u>\$ 329,260,192</u>	<u>\$ (26,965,069)</u>

WRIGHT STATE UNIVERSITY
Statements of Revenues, Expenses, and Changes in Net Position
Excluding GASB68 Related Entries
For the Years Ended June 30, 2017 and 2016

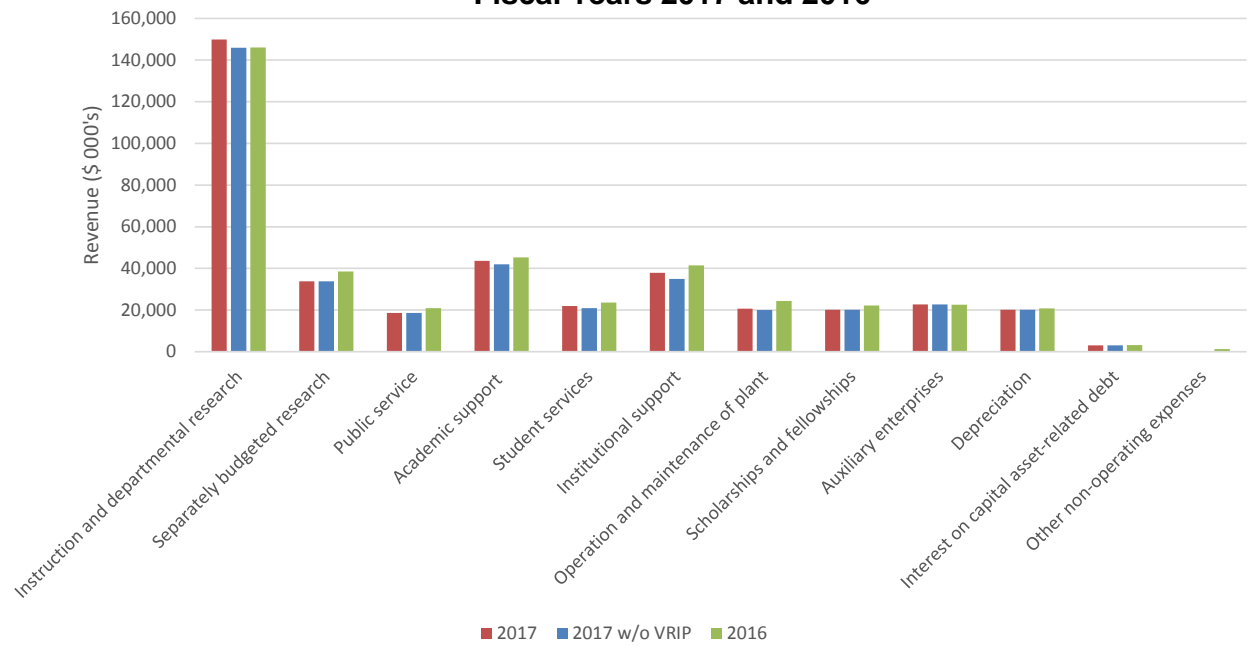
	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowances of \$44,883,000 in 2017 and \$46,960,000 in 2016)	\$ 140,388,956	\$ 148,459,847
Federal grants and contracts	35,696,281	29,560,722
State grants and contracts	6,502,919	5,446,520
Local grants and contracts	819,024	544,873
Nongovernmental grants and contracts	27,515,814	33,745,355
Sales and services	4,639,894	4,942,974
Auxiliary enterprises sales (net of scholarship allowances of \$2,466,000 in 2017 and \$2,361,000 in 2016)	11,418,116	11,435,491
Other operating revenues	<u>3,338,412</u>	<u>4,037,397</u>
Total operating revenues	230,319,416	238,173,179
OPERATING EXPENSES		
Educational and general:		
Instruction and departmental research	149,906,756	145,997,054
Separately budgeted research	33,853,848	38,482,471
Public service	18,649,215	20,844,140
Academic support	43,649,597	45,335,880
Student services	21,914,369	23,594,931
Institutional support	37,843,017	41,407,398
Operation and maintenance of plant	20,649,960	24,414,704
Scholarships and fellowships	<u>20,203,101</u>	<u>22,220,648</u>
Total educational and general	346,669,863	362,297,226
Auxiliary enterprises	22,646,731	22,576,586
Depreciation	<u>20,165,432</u>	<u>20,768,503</u>
Total operating expenses	389,482,026	405,642,315
Operating (loss)	(159,162,610)	(167,469,136)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	92,430,682	89,548,056
Federal grants	19,494,081	21,329,254
State grants	3,885,796	4,454,101
Gifts	10,283,759	10,000,042
Investment income/(loss) (net of investment expenses of \$218,000 in 2017 and \$420,000 in 2016)	3,438,103	(1,007,093)
Interest on capital asset-related debt	(3,088,446)	(3,231,964)
Other nonoperating (expenses)	<u>(104,987)</u>	<u>(1,269,215)</u>
Net nonoperating revenues	126,338,988	119,823,181
(Loss) before other revenues, expenses, gains or losses	(32,823,622)	(47,645,955)
Capital appropriations from the State of Ohio	4,394,239	8,499,639
Capital grants and gifts	<u>1,464,314</u>	<u>4,174,565</u>
(Decrease) in net position	(26,965,069)	(34,971,751)
NET POSITION		
Net position - beginning of year	329,260,192	364,231,943
Net position - end of year	\$ <u>302,295,123</u>	\$ <u>329,260,192</u>

**Wright State University
Revenues
Fiscal Years 2017 and 2016**



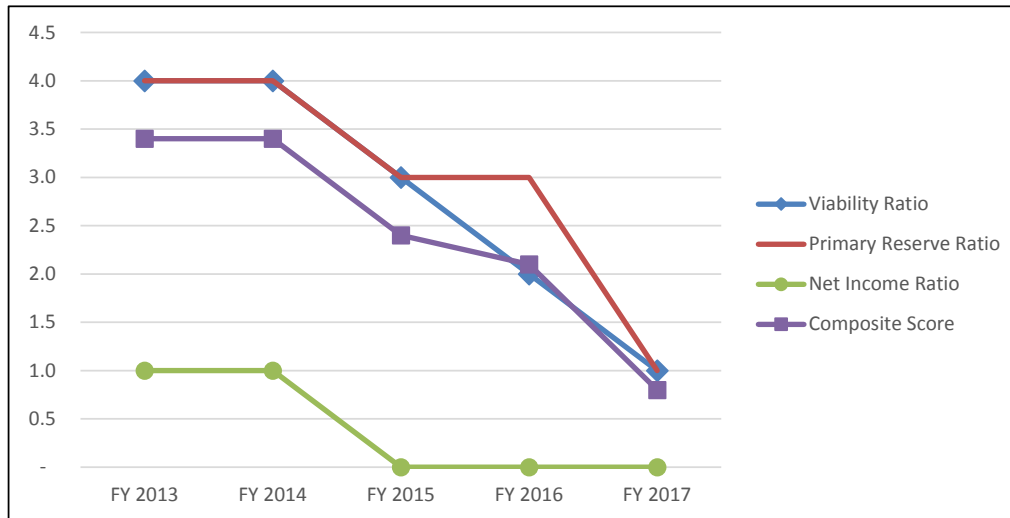
	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>	<u>% Change</u>
Tuition & fees (net)	\$ 140,388,956	\$ 148,459,847	\$ (8,070,891)	-5.44%
Grants & contracts	93,913,915	95,080,825	(1,166,910)	-1.23%
State appropriations	92,430,682	89,548,056	2,882,626	3.22%
Capital appropriations, gifts & grants	5,858,553	12,674,204	(6,815,651)	-53.78%
Auxiliary revenues	11,418,116	11,435,491	(17,375)	-0.15%
Gifts	10,283,759	10,000,042	283,717	2.84%
Sales and services	4,639,894	4,942,974	(303,080)	-6.13%
Investment income (loss)	3,438,103	(1,007,093)	4,445,196	441.39%
Other operating revenues	3,338,412	4,037,397	(698,985)	-17.31%
Total revenue	<u>\$ 365,710,390</u>	<u>\$ 375,171,743</u>	<u>\$ (9,461,353)</u>	<u>-2.52%</u>

**Wright State University
Functional Expenses
Excluding GASB 68 and VRIP
Fiscal Years 2017 and 2016**



	2017	2017 w/o VRIP	2016	2017 w/o VRIP vs 2016 Increase / (Decrease)	% Change
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d = b - c)</i>	<i>(e = d / c)</i>
Instruction and departmental research	\$ 149,906,756	\$ 145,975,439	\$ 145,997,054	\$ (21,615)	-0.01%
Separately budgeted research	33,853,848	33,762,137	38,482,471	(4,720,334)	-12.27%
Public service	18,649,215	18,597,774	20,844,140	(2,246,366)	-10.78%
Academic support	43,649,597	41,956,954	45,335,880	(3,378,926)	-7.45%
Student services	21,914,369	20,935,451	23,594,931	(2,659,480)	-11.27%
Institutional support	37,843,017	34,993,683	41,407,398	(6,413,715)	-15.49%
Operation and maintenance of plant	20,649,960	19,998,235	24,414,704	(4,416,469)	-18.09%
Scholarships and fellowships	20,203,101	20,203,101	22,220,648	(2,017,547)	-9.08%
Auxiliary enterprises	22,646,731	22,646,731	22,576,586	70,145	0.31%
Depreciation	20,165,432	20,165,432	20,768,503	(603,071)	-2.90%
Interest on capital asset-related debt	3,088,446	3,088,446	3,231,964	(143,518)	-4.44%
Other non-operating expenses	104,987	104,987	1,269,215	(1,164,228)	-91.73%
Total expense	\$ 392,675,459	\$ 382,428,370	\$ 410,143,494	\$ (27,715,124)	-6.76%

Wright State University
Senate Bill 6 Scores
Excluding GASB 68 Impact



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Viability Ratio					
<u>Expendable Net Position</u>	128,530,944	119,124,630	88,806,422	41,703,870	16,907,992
Plant Debt	109,232,116	101,957,190	95,429,869	88,747,614	81,865,276
Ratio	1.177	1.168	0.931	0.470	0.207
Score	4.0	4.0	3.0	2.0	1.0
Weighting	30%	30%	30%	30%	30%
Contribution to Composite Score	1.20	1.20	0.90	0.60	0.30
Primary Reserve Ratio					
<u>Expendable Net Position</u>	128,530,944	119,124,630	88,806,422	41,703,870	16,907,992
Expenses	418,196,290	387,584,245	389,132,744	408,874,279	392,570,472
Ratio	0.307	0.307	0.228	0.102	0.043
Score	4.0	4.0	3.0	3.0	1.0
Weighting	50%	50%	50%	50%	50%
Contribution to Composite Score	2.00	2.00	1.50	1.50	0.50
Net Income Ratio					
<u>Change in Total Net Position</u>	(8,510,319)	(3,270,922)	(25,736,277)	(34,971,751)	(26,965,069)
Total Revenues	409,734,992	385,003,595	365,433,935	375,171,743	365,710,390
Ratio	(0.021)	(0.008)	(0.070)	(0.093)	(0.074)
Score	1.0	1.0	-	-	-
Weighting	20%	20%	20%	20%	20%
Contribution to Composite Score	0.20	0.20	-	-	-
Composite Score	3.40	3.40	2.40	2.10	0.80