

Board of Trustees Finance Committee Report

April 10, 2014

1. The initial discussions included a review of the 5-year capital plan for the university. Several assumptions were made in the analysis including:

Continuing increases in enrollment. Maintain competitive market pricing - 3.25% undergraduate tuition increase, student loan cap programs, Byrum Scholars

Positive financial impact of ACC conference revenues

Ongoing commitment to competitive faculty and staff compensation

The majority of the discussion was focused on a review of facilities projects for the next 5 years

Joel Coliseum Renovations

Analysis of residence halls to fully understand the financial and administrative impact to renewing our aging residence halls that are a liability to WFU's residential experience.

Sports Performance Center

Exercise physiology moving/renovations

2. Development of University Dashboards.

Based on feedback from the January Finance & Audit Committee joint meeting, leadership has been involved in identifying and recommending a series of university dashboards that will assist leadership and the Board of Trustees in managing the University and ensure goals are being met.

Key financial indicators include:

Revenues and expenses- FY2013 net revenue of \$439 million against \$341 million in expenses. Increase in net assets of \$97 million. Depreciation/amortization and interest on debt expense demonstrated some growth due to their impact to revenue over expense margin.

Endowment- Reynolda endowment total market value is \$631 million which is up 7.5%. The return of 7.9%, however, underperformed the policy portfolio benchmark by 2.2%.

Reserves- The General University Reserve has increased \$38 million or 72% since June 30,2009. Internal reserves increased 6% while the Board's Quasi Endowment Reserve had a slight increase due to investment returns.

Debt and liquidity- Reynolda campus outstanding debt as of 6/30/2013 was \$314 million with a weighted cost of capital of 4.02%

Composite financial index- This represents a combination of four core ratio into a single score that is used by rating agencies to assess overall financial health of the institution. Wake Forest's CFI score improved 2.3%

Capital Campaign- Wake Will has had very good progress with \$304,362,164 in total commitments. The majority of donations have come from North Carolina with strong participation from New York, Atlanta and Washington. Faculty participation is at 54.7%

Respectfully submitted,
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