

**Report on meeting of the Finance Committee of the Board of Trustees,
October 5, 2017**

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Most of the meeting was taken up by the presentation of Financial Reports (for both Health Sciences and the Reynolda campus) by administrators. The reports took the form of PowerPoints plus verbal discussion; copies of the PowerPoints were not distributed (or at least not to me). It appears that WFU had a financially successful year: we were told that the University's net assets increased by 12 percent, and the "operating surplus" of the Reynolda campus was \$31.4 million, an increase of \$21 million over fiscal year 2016. The end-of-year endowment stood at \$719 million, up from \$686 million in the previous year.

In the course of these presentations, several Trustees raised pertinent and sometimes quite probing questions. The administrators were generally able to provide answers that satisfied the questioners.

Two matters came up for voting. One was a relatively technical matter relating to debt management policy, which appeared to be uncontroversial; I admit that I didn't fully understand the financial jargon involved. The other concerned an additional commitment of \$4 million to ACC-related networking. As I understand it, this is about fiber-optic networking to subserve the televisation of games. This appeared to be basically a rubber-stamping exercise, since apparently WFU is already committed to participating and in addition it seems we have already spent a good deal of the anticipated income from televisation of sport (borrowing on the strength of the prospective revenue). Some trustees wondered (as did I) if the deal in question were perhaps "too good to be true"—for \$4 million down WFU anticipates revenues of around \$22 million per year when the business is in full swing—but administrators assured us that the revenue projections were "conservative."

After the above-mentioned business was concluded the Committee went into a short executive session.

This being my first such meeting, on this occasion I mostly just listened and tried to get an initial sense of how the Committee works. However, I noticed a couple of points that I plan to ask about if/when they come up again.

- In one of the financial reports we saw a line item for the contribution made by "outsourcing" on the Reynolda campus. The contribution was fairly modest (I think \$500,000) but regardless I would hope to make the Trustees aware that from the standpoint of many faculty members this is problematic: a gain to the financial bottom line at the cost of a big hit to the moral "bottom line," particularly given the University's public emphasis on "pro humanitate" and "Community."
- We saw some breakdown of financial magnitudes by program (e.g. study abroad) but there was no mention of specific income or outgoings in relation to the Institutes that have proliferated over recent years. In light of faculty concerns over the role of these Institutes it would be interesting to have some information on how they fit into the financial picture.

Respectfully submitted, 2017-11-09