

Business Administrators' Forum



WAKE FOREST
UNIVERSITY

401 A/D Benson | March 21, 2016

Welcome

Presenter: Sharon Anderson, Financial Services

Mid-year Financial Briefing

Presenter: Marnie Matthews, Associate Controller, Financial Services

Procurement Ideas (from last meeting)

Presenter: Rosey Murton, Director, Procurement Services

Business Administrator Orientation & Training

*Presenter: Jennifer Rogers, Learning & Development Specialist,
Finance Systems*

What Accounts Payable Can Do For You...

*Presenters: Kim Crewey, Assistant Controller, Financial Operations
& Allison Belton, Director, Accounts Payable*

Mid-year Financial Briefing

Presenter:

Marnie Matthews, Associate Controller, Financial Services

Reynolda Campus generated a positive operating margin of \$4.3 million as of December 2015, an improvement of \$1.6 million over December 2014. Nonoperating activities declined due primarily to investment return deficit and lower endowment and capital gifts. Total Net Assets decreased 1.3% from prior year.

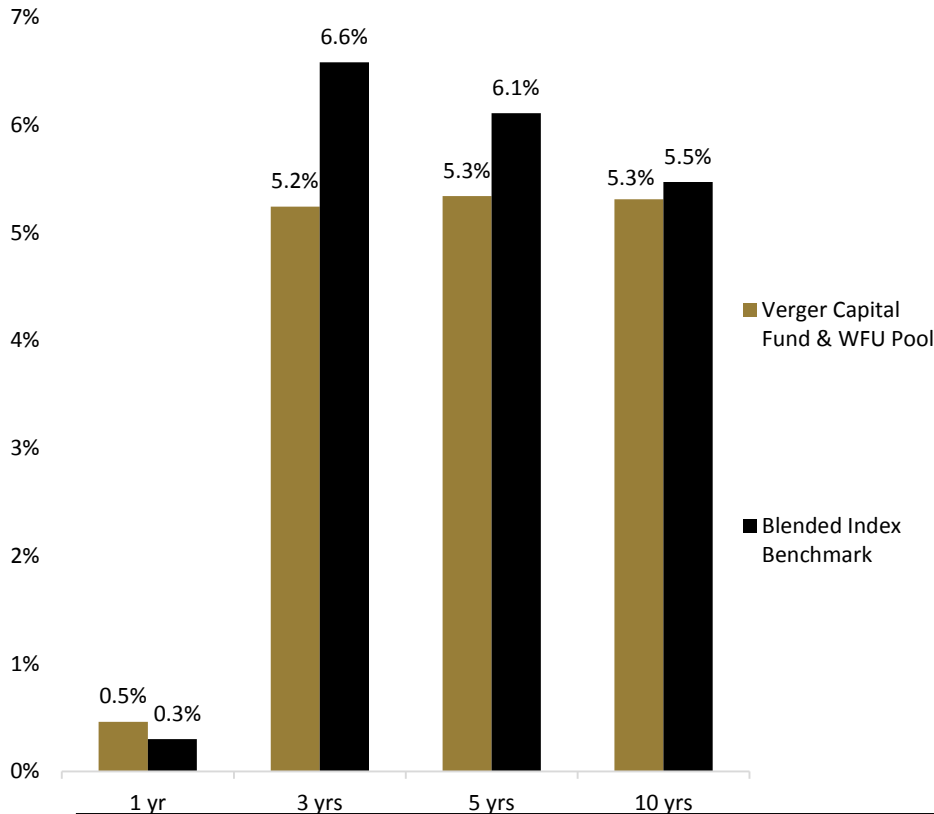
	Reynolda Campus			
	Dec YTD	Dec YTD	Increase / (decrease)	
	2015	2014	\$	%
Operating Revenue	\$ 191,489	187,568	3,921	2.1%
Operating Expenses	187,142	184,819	(2,323)	-1.3%
Operating Excess (Deficit)	4,347	2,749	1,598	58.1%
<i>Margin</i>	2.3%	1.5%		
Endowment and Capital Gifts	15,000	18,534	(3,534)	-19.1%
Investment and other	(35,185)	(24,347)	(10,838)	44.5%
Nonoperating Activities	(20,185)	(5,813)	(14,372)	247.2%
Change in Net Assets	(15,838)	(3,064)	(12,774)	416.9%
<i>Unrestricted</i>	(12,724)	(15,184)	2,460	-16.2%
<i>Temporarily Restricted</i>	(5,666)	3,567	(9,233)	-258.8%
<i>Permanently Restricted</i>	2,552	8,553	(6,001)	-70.2%
Net Assets, Beginning	1,173,201	1,128,807	44,394	3.9%
Net Assets	\$ 1,157,363	1,125,743	31,620	2.8%
<i>Change from beginning net assets</i>	-1.3%	-0.3%		

(Dollars in thousands)

	December 31, 2015	June 30, 2015	Increase (Decrease)	%
Assets				
Cash and cash equivalents	\$ 59,129	50,574	\$ 8,555	16.9%
Accounts receivable, net	18,432	8,618	9,814	113.9%
Contributions receivable, net	117,681	114,307	3,374	3.0%
Notes receivable, net	22,489	22,313	176	0.8%
Investments	953,438	936,827	16,611	1.8%
Investments in real estate	22,406	22,800	(394)	-1.7%
Other assets	10,608	6,740	3,868	57.4%
Land, buildings, and equipment, net	480,548	455,947	24,601	5.4%
Total assets	1,684,731	1,618,126	66,605	4.1%
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accruals	30,659	30,012	647	2.2%
Other liabilities and deferrals	140,487	78,983	61,504	77.9%
Annuities payable	24,483	24,661	(178)	-0.7%
Notes payable and capital leases	36,555	16,408	20,147	122.8%
Bonds payable	269,430	269,417	13	0.0%
Postretirement benefits	16,262	15,862	400	2.5%
Government grants refundable	9,492	9,582	(90)	-0.9%
Total liabilities	527,368	444,925	82,443	18.5%
Net assets:				
Unrestricted	498,461	511,185	(12,724)	-2.5%
Temporarily restricted	371,580	377,246	(5,666)	-1.5%
Permanently restricted	287,322	284,770	2,552	0.9%
Total net assets	1,157,363	1,173,201	(15,838)	-1.3%
Total liabilities and net assets	\$ 1,684,731	1,618,126	\$ 66,605	4.1%

The endowment pool generated a net investment estimated effective rate of negative 1.2% for year to date, underperforming the policy portfolio benchmark. Net of gifts, donor designation changes, and endowment distributions, consolidated Reynolda Campus ended the fiscal year at a total market value of \$689.4 million, down 3.3%, or \$23.6 million, from Dec 31st, 2015.

11/30/2015 WFU vs Benchmark



Change in Market Value of Endowment

	Consolidated	Reynolda Campus
Beginning market value @ 7/1/15	\$ 1,167,400	\$ 712,988
Contributions	13,871	6,896
Appropriation of endowment for expenditure, net	(29,815)	(16,681)
Investment return, net	(27,393)	(12,433)
Reynolda House net activity	(1,414)	(1,414)
Transfers	312	69
Ending market value @ 12/31/15	\$ 1,122,961	\$ 689,425



Rating Agency Reviews

- Report considered the consolidated organization, WFU and WFUHS
- The University's Aa3 rating is supported by:
 - Well-established market position with growing demand
 - Favorable total wealth
 - Management focus on improving operating performance
- Partly offsetting the credit strengths are:
 - Expense pressures including those at WFUHS yield weaker consolidated operating performance
 - Ongoing capital needs will likely increase debt in coming years
 - Material patient care exposure through Medical Center Integration Agreement with North Carolina Baptist Hospital (WFUHS)

Procurement Services Update

Presenter:

Rosey Murton, Director, Procurement Services

- Use of thin client instead of desktops to save money and bring back mobility
- Explore/reduce unneeded Adobe licenses
- Explore FoxIt as low cost alternative
- Leverage with Medical School for similar opportunities/purchases (air filters)
- Purchase office supplies in bulk
- Airgas – reduce last minute orders/duplicate orders
- Campus and Reynolda House combine contracts/services for brochures, event planning, tent rentals, etc.
- ZSR Library partner with Procurement to negotiate with vendors for more favorable terms
- Car rental pricing should be standardized, not different by department.
 - Have been told that WFU pricing is not the least expensive and that there is multiple pricing for the University
- Need standardized list of disposable supplies. Copy paper should be 100% recycled. Need to make campus more green.

Business Administrator Orientation & Training

Presenter:

*Jennifer Rogers, Learning & Development Specialist,
Finance Systems*

What Accounts Payable Can Do For You...

Presenters:

*Kim Crewey, Assistant Controller, Financial Operations
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- **The Accounts Payable Team is a diverse team dedicated to the excellence of processing transactions for payment.**

Our Customer Base
Faculty
Staff
Students
Suppliers
Other Individuals

- ***To support the mission of the University and Financial Services***
- ***To provide accurate and timely disbursement of payments***
- ***To provide excellent customer service***
- ***To be a leader in best practices***
- ***To provide campus with a well-rounded dedicated team of professionals that will exhibit competency, professionalism, honesty, and respect with their interactions with our customers***
- ***To establish an atmosphere of cooperation and kindness with prompt and courteous responses***

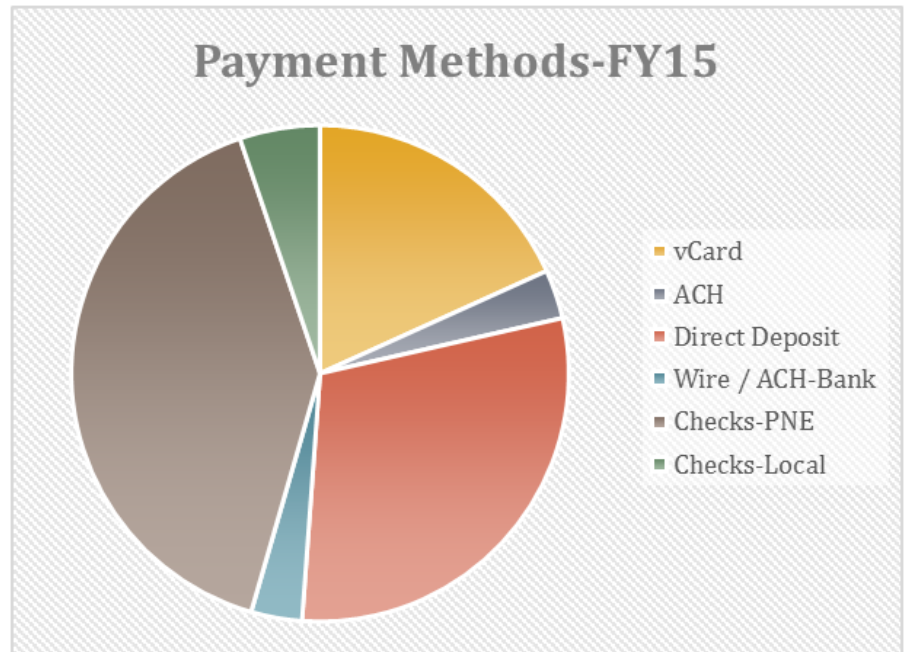
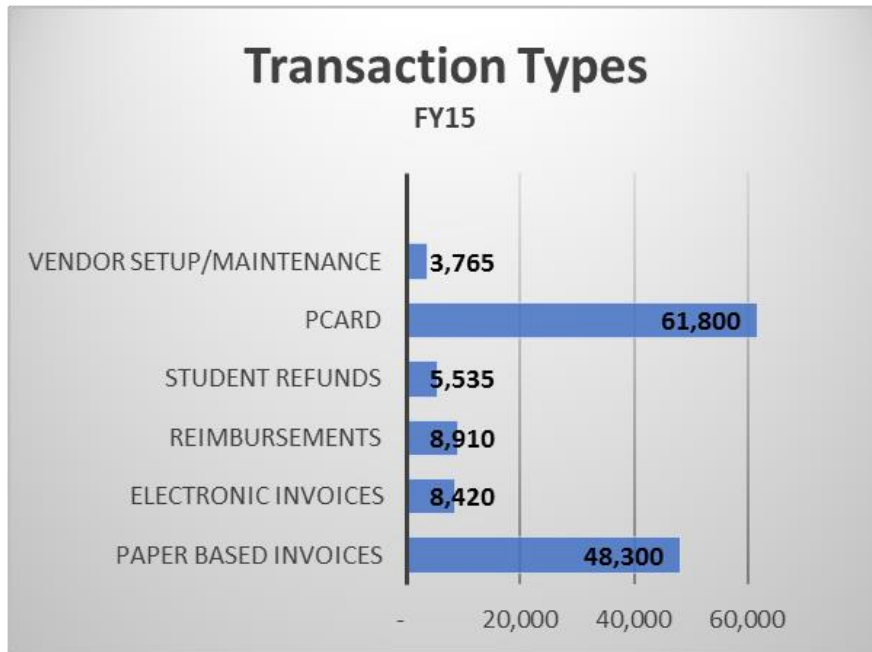
Standard Processing Functions

- **Invoices**
- **Reimbursements / Student Disbursements**
- **Refunds**
- **Payments to Individuals**
- **Advances**
- **Supplier Setup/Maintenance**
- **Payments**

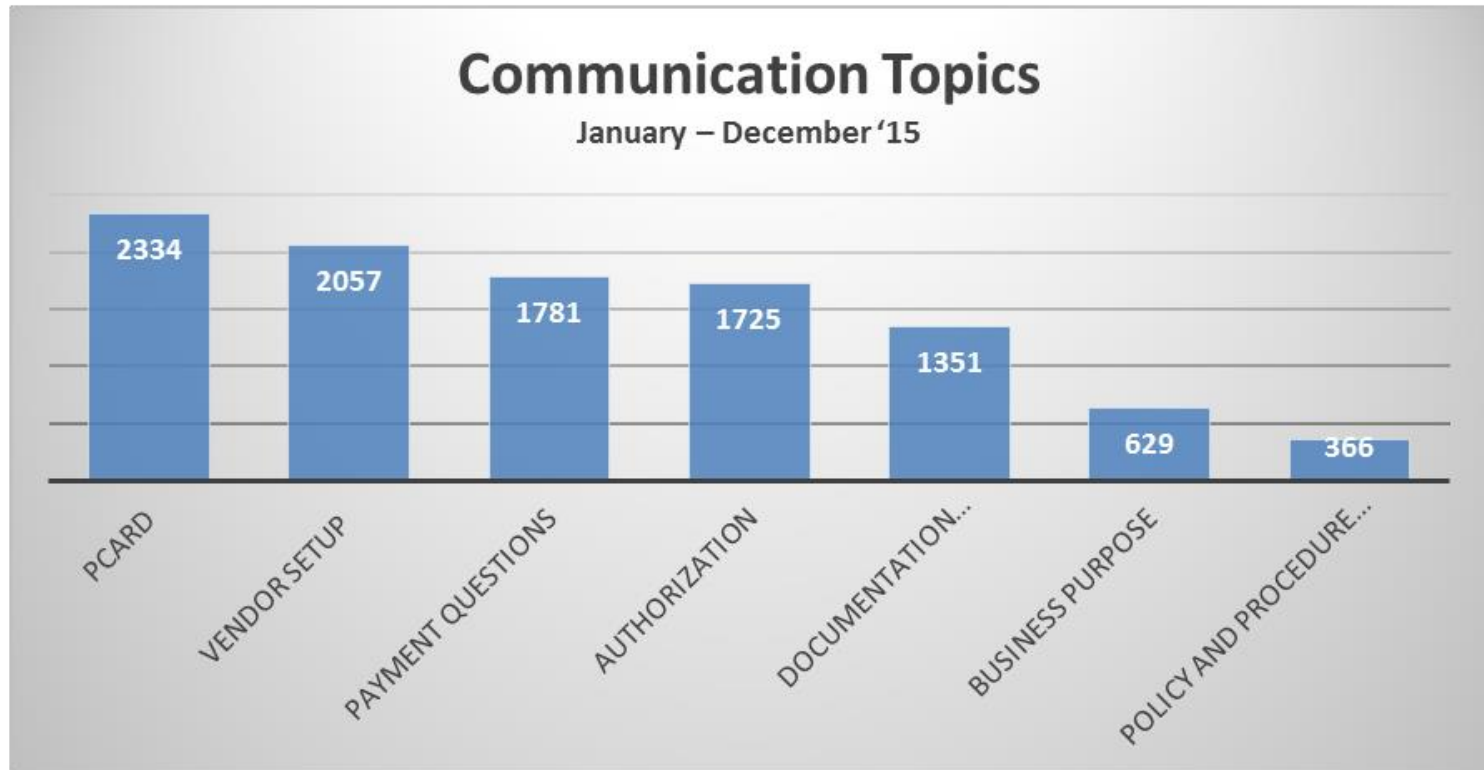
Customer Relations & Training Opportunities

- **Guidance**
- **Consulting**
- **Research**
- **Departmental Training**
- **1:1 Getting to Know AP and Your Department**

Standard Processing By the Numbers



Communication By the Numbers



Wed., 4/20/16 1:00 – 2:30 PM 409 Benson
Tues., 5/10/16 9:00 – 10:30 AM 404 ZSR Library-Auditorium

Your input is essential as we continue to collaborate and discuss items of interest so that we can improve how we do business at Wake. So, please continue to send along suggestions, questions, and topics you want to hear about, know about, or discuss with others.