Welcome
Presenter: Sharon Anderson, Financial Services

Financial Highlights
Presenter: Marnie Matthews, Associate Controller

Mid-Year Close
Presenter: Jolene Cox, Senior Accountant, Financial Services

Capital Campaign Update & Impact on Restricted Initiatives
Presenters: Wade Stokes, Assistant Dean, College Development
Tim Snyder, Associate VP, Alumni & Donor Services
Milton King, Associate Director, Financial Aid Office
Kim Wieters, Senior Business Manager, Dean of Wake Forest College
Marnie Matthews, Associate Controller
Financial Highlights
## Financial Highlights: Balance Sheet

### (Dollars in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2015</th>
<th>June 30, 2014</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 50,574</td>
<td>$ 42,163</td>
<td>8,436</td>
<td>20.0%</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,618</td>
<td>8,677</td>
<td>(59)</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>114,307</td>
<td>102,528</td>
<td>11,779</td>
<td>11.5%</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>22,313</td>
<td>22,124</td>
<td>189</td>
<td>0.9%</td>
</tr>
<tr>
<td>Investments</td>
<td>936,827</td>
<td>908,811</td>
<td>28,016</td>
<td>3.1%</td>
</tr>
<tr>
<td>Investments in real estate</td>
<td>22,800</td>
<td>23,731</td>
<td>(931)</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Other assets</td>
<td>6,740</td>
<td>7,288</td>
<td>(548)</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Land, buildings, and equipment, net</td>
<td>455,947</td>
<td>440,921</td>
<td>15,026</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>1,618,126</strong></td>
<td><strong>1,556,243</strong></td>
<td><strong>61,883</strong></td>
<td><strong>4.0%</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

**Liabilities:**

- Accounts payable and accruals: 30,012 (2015), 24,631 (2014), increase of 5,381 (21.8%)
- Other liabilities and deferrals: 78,983 (2015), 73,604 (2014), increase of 5,379 (7.3%)
- Annuities payable: 24,661 (2015), 22,765 (2014), increase of 1,896 (8.3%)
- Notes payable and capital leases: 16,408 (2015), 5,905 (2014), increase of 10,503 (177.9%)
- Bonds payable: 269,417 (2015), 275,585 (2014), decrease of 6,168 (-2.2%)
- Postretirement benefits: 15,862 (2015), 15,258 (2014), increase of 604 (4.0%)
- Government grants refundable: 9,582 (2015), 9,688 (2014), decrease of 106 (-1.1%)

**Total liabilities:** 444,925 (2015), 427,436 (2014), increase of 17,489 (4.1%)

**Net assets:**

- Unrestricted: 511,185 (2015), 500,687 (2014), increase of 10,498 (2.1%)
- Temporarily restricted: 377,246 (2015), 364,550 (2014), increase of 12,696 (3.5%)
- Permanently restricted: 284,770 (2015), 263,570 (2014), increase of 21,200 (8.0%)

**Total net assets:** 1,173,201 (2015), 1,128,807 (2014), increase of 44,394 (3.9%)

**Total liabilities and net assets:**

- $ 1,618,126 (2015), $ 1,556,243 (2014), increase of $ 61,883 (4.0%)
Net assets increased due to continued philanthropic support and strong operating results

- Total net assets of $1.2 billion reflected an increase of 3.9%
- Unrestricted net assets of $511 million increased $10 million, or 2.1% (generated by operating activities, gifts and athletics)
- Temporarily restricted net assets of $377 million, increased $13 million, or 3.5% (gifts)
- Permanently restricted net assets of $285 million, increased $21 million, or 8.0% (endowment gifts)
# Financial Highlights: Unrestricted Operating Performance

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 Total</th>
<th>FY 2014 Total</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>$293,431</td>
<td>$280,636</td>
<td>$12,795</td>
<td>4.6%</td>
</tr>
<tr>
<td>Less student aid</td>
<td>(86,770)</td>
<td>(81,786)</td>
<td>(4,984)</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>Net student tuition and fees</strong></td>
<td><strong>206,661</strong></td>
<td><strong>198,850</strong></td>
<td><strong>7,811</strong></td>
<td><strong>3.9%</strong></td>
</tr>
<tr>
<td>Government grants and contracts</td>
<td>8,623</td>
<td>9,038</td>
<td>(415)</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Private grants, and contracts</td>
<td>2,040</td>
<td>2,364</td>
<td>(324)</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Contributions</td>
<td>21,416</td>
<td>20,001</td>
<td>1,415</td>
<td>7.1%</td>
</tr>
<tr>
<td>Investment return designated for current operations</td>
<td>16,210</td>
<td>17,848</td>
<td>(1,638)</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Other</td>
<td>7,536</td>
<td>7,078</td>
<td>458</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Sales and services of auxiliary enterprises</strong></td>
<td><strong>90,196</strong></td>
<td><strong>80,284</strong></td>
<td><strong>9,912</strong></td>
<td><strong>12.3%</strong></td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>26,468</td>
<td>22,955</td>
<td>3,513</td>
<td>15.3%</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>379,150</strong></td>
<td><strong>358,418</strong></td>
<td><strong>20,732</strong></td>
<td><strong>5.8%</strong></td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>177,471</td>
<td>173,795</td>
<td>3,676</td>
<td>2.1%</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>46,618</td>
<td>45,094</td>
<td>1,524</td>
<td>3.4%</td>
</tr>
<tr>
<td>Student aid</td>
<td>3,409</td>
<td>3,415</td>
<td>(5)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Services</td>
<td>41,228</td>
<td>40,502</td>
<td>726</td>
<td>1.8%</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td><strong>53,281</strong></td>
<td><strong>51,674</strong></td>
<td><strong>1,607</strong></td>
<td><strong>3.1%</strong></td>
</tr>
<tr>
<td>Interest on debt</td>
<td>12,294</td>
<td>11,952</td>
<td>342</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>334,301</strong></td>
<td><strong>326,432</strong></td>
<td><strong>7,869</strong></td>
<td><strong>2.4%</strong></td>
</tr>
<tr>
<td><strong>Operating cash flow margin</strong></td>
<td><strong>44,849</strong></td>
<td><strong>31,986</strong></td>
<td><strong>12,863</strong></td>
<td><strong>40.2%</strong></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>32,051</td>
<td>32,236</td>
<td>(185)</td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>$12,798</td>
<td>(250)</td>
<td>13,048</td>
<td></td>
</tr>
</tbody>
</table>
Mid-Year Close
December 23rd
* Final 2015 Bi-Weekly Payroll posted by 5PM
* All deposits to cashier by 2:30PM
* Final 2015 Exempt payroll posted by 5PM

January 5th
* Journal entries in FAR by 5PM
* All December gifts in Advancement by 4PM

January 6th
* Payroll reallocations and redistribution in Payroll by 5PM (will be posted in 2nd close)
* Final Invoices in Accounts Payable (AP) by 5PM (will be posted in 1st close)

January 8th
* Procurement card (Pcard) updated in Works by 5PM for statement ending 1/2/16
* All December gifts posted by Advancement by 5PM
* All December receiving completed through Deacon Depot by 5PM
* FIRST Departmental Close – Draft reports available after 5PM
Key Dates for Fiscal 2016 Mid-Year Close
Final Departmental Close

January 9\textsuperscript{th} - January 13\textsuperscript{th}
* Accruals, deferrals and adjustments posted by Financial Services (including expenditure vouchers and employee travel expense reports)

January 11\textsuperscript{th}
* Final day send accrual documentation to AP

January 13\textsuperscript{th}
* FINAL Departmental Close – Reports available after 5PM
Close comparison

1st Departmental Close
1/8/16

- Deposits made by 12/23/15
- MO12 and BW26 payrolls
- December gifts
- Receiving completed in Deacon Depot

Final Close
1/13/16

- Deferral of Spring Tuition Revenue billed in December
- Deferral of Tuition Prepayments
- Pcard for statement ending 1/2/16 accrued
- Invoice accruals by Accounts Payable
- ST01 payroll 90% accrued
- BW01 payroll 90% accrued
- Payroll reallocations and redistributions
Capital Campaign Update & Impact on Restricted Initiatives
Capital Campaign Update & Impact on Restricted Initiatives

• Wade Stokes
  • Campaign Update
  • Campaign Initiatives specifically within restricted gifts and endowments
• Tim Snyder
  • The importance of taking fiduciary care of the funds donated,
  • The importance of supporting the purpose, and
• Milton King
  • Example of a more mature stewardship process
  • Identification of the administration of scholarships
  • Communication between Financial Aid and Development on restricted expenditures
• Kim Wieters
  • Review of Dean of the College gifts and endowments to ensure proper spending and feedback to Development, when funds cannot be used
  • Reports
• Marnie Matthews
  • Present new Fund Balance Template and feedback
  • Discuss other ways Financial Services can help inform the community on their restricted funds
Philanthropy – Trend Report
Total commitments for Reynolda Campus as of September 30, 2015

Dollars in Millions

- GOAL
- RESULTS

- Jul '10 Jan '11 Jul '11 Jan '12 Jul '12 Jan '13 Jul '13 Jan '14 Jul '14 Jan '15 Jul '15 Jan '16 Jul '16 Jan '17 Jul '17 Jan '18

- $518,185,500
- $600,000,000
Total commitments as of September 2015: $518.2M
• Why do Donors give?
  • There is a story behind each gift.
  • Donors want to make an impact.
  • Out of obligation.

• What is Stewardship
  • Expression of gratitude
  • Demonstration of the impact of someone’s gift
  • Why does it matter?

• How do we Steward gifts?
  • Annual reports
  • Connect donors with beneficiaries
  • Celebrate not only the gift, but what is truly unique about the donor
  • Create moments

• Impact of good Stewardship
  • How to turn $200 into a quarter of a million
<table>
<thead>
<tr>
<th>Contact</th>
<th>Position</th>
<th>E-mail</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marnie Matthews</td>
<td>Associate Controller</td>
<td><a href="mailto:matthems@wfu.edu">matthems@wfu.edu</a></td>
<td>3201</td>
</tr>
<tr>
<td>Nick Reed</td>
<td>Director, External Financial Reporting, Restricted &amp; Endowed Funds</td>
<td><a href="mailto:reednc@wfu.edu">reednc@wfu.edu</a></td>
<td>7167</td>
</tr>
<tr>
<td>Kameron Gress</td>
<td>Manager, Endowment Planned Giving</td>
<td><a href="mailto:gresskh@wfu.edu">gresskh@wfu.edu</a></td>
<td>5223</td>
</tr>
<tr>
<td>Masha Wall</td>
<td>Assistant Director, Stewardship Operations</td>
<td><a href="mailto:wallmc@wfu.edu">wallmc@wfu.edu</a></td>
<td>4146</td>
</tr>
<tr>
<td>Date</td>
<td>Time</td>
<td>Location</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>--------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>Mon., 12/14/15</td>
<td>3:00 – 4:30 PM</td>
<td>409 Benson</td>
<td></td>
</tr>
<tr>
<td>Thurs., 1/21/16</td>
<td>9:00 – 10:30 AM</td>
<td>409 Benson</td>
<td></td>
</tr>
<tr>
<td>Mon., 2/22/16</td>
<td>2:00 – 3:30 PM</td>
<td>401 A/D Benson</td>
<td></td>
</tr>
<tr>
<td>Mon., 3/21/16</td>
<td>11:00 – 12:00 PM</td>
<td>401 A/D Benson</td>
<td></td>
</tr>
<tr>
<td>Wed., 4/20/16</td>
<td>1:00 – 2:30 PM</td>
<td>409 Benson</td>
<td></td>
</tr>
<tr>
<td>Tues., 5/10/16</td>
<td>9:00 – 10:30 AM</td>
<td>404 ZSR Library-Auditorium</td>
<td></td>
</tr>
</tbody>
</table>

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.