

EXHIBIT 17

Information Related to Akron-AAUP Report on UA Finances

- The Akron-AAUP has issued what they term a “financial analysis” of the University’s finances. It was prepared by their consultant, Dr. Rudy Fichtenbaum, a Wright State University retiree. It also should be noted that Dr. Fichtenbaum recently completed his eight-year term as national president of the AAUP.
- The report incorrectly claims that the University’s Expendable Net Assets total \$158,784,000 (p.29). It should be noted that amount is comprised of **restricted net assets of \$76,075,000**, which can *only* be used for their restricted purpose and are not available to the University to pay operating expenditures such as payroll and other expenses. The University of Akron’s expendable, unrestricted net assets as of June 30, 2019, were approximately \$83 million. **These net assets are not all held in cash. As such, the University estimated that approximately \$65 million of the expendable, unrestricted net assets (or “reserves”) are sufficiently liquid to be utilized as working capital to pay operating expenditures, including payroll.** Notably, Dr. Fichtenbaum’s analysis is off by \$93 million.
- In a video featuring Dr. Fichtenbaum that the Akron-AAUP now has distributed, he makes the following – and completely incorrect – statement: “There is no evidence of a \$65 million shortfall.” As has been exhaustively detailed and discussed for months now, the Administration projected the deficit – and documented the reasons for it – earlier this year.
- The report states that the University “almost certainly” has financial data for the fiscal year that concluded June 30, 2020, and should have provided that information to the Akron-AAUP. This is incorrect. As occurs every year, several year-end adjustments need to be recorded and the Controller’s Office will be preparing and processing those entries for several more weeks. **The Akron-AAUP has been provided with the same financial information provided to the Board of Trustees, covering the year through the end of March 2020.** Statements for the period ending May 31, 2020, will be finalized and provided to the Board of Trustees and made public at the August 12th Board meeting. Following normal practice, the draft audited financial statements will likely not be submitted to the Auditor of State for review until mid-October, with the final statements released from the Auditor of State’s Office around January 2021.
- The report incorrectly claims UA had a \$24.9 million surplus in 2019 (p. 62). In reality, the **University had to use \$3,795,965 in reserves to balance the budget.**

- The report claims that fall enrollment is likely to be better than the planning estimates that were used earlier in the year to begin to develop the budget. While current enrollment data are better than our initial 20% enrollment decline estimate, the most recent data continue to show a large decrease in enrollment as compared to last year at this time, especially for the incoming freshmen class. COVID-related developments during the next month could depress those numbers even more. **Hoping that there will be substantial improvement, particularly during a global pandemic and all its associated uncertainties, is not a prudent strategy.**
- The report also claims the amount of the State Share of Instruction (SSI) is likely to be higher than was projected at the time the budgets were being prepared. At that time, the state was advising that universities should plan on a 20% reduction during FY21. That was subsequently revised, as the University has acknowledged. **The report fails to note that Chancellor Randy Gardner made clear to our University on July 6, 2020:**

“Please note that, as with all line items in this challenging budget environment, I must place a “warning label” on this positive news. This new FY21 SSI amount is subject to change if the overall budget and supporting state revenue sources were to significantly worsen during the fiscal year compared to current projections.”

So, SSI is expected to be further reduced during the year should state tax revenues decline due to the pandemic - yet another basis for conservative budgeting.