

## December 31, 2019 Management Report

### Period 6 Actual to Actual and Percent Variance Education & General Fund Report:

This report provides six months of actual revenue and expense activity (as of December 31, 2019) as compared to the same period in prior fiscal year.

#### Revenues:

Gross student fees & tuition are \$1.894 million less than the prior year due to an approximate 5% decrease in fall and 6% decrease in winter term enrollment. Fee remissions have increased by \$1.057 million from the prior year due to more aggressive financial aid packaging. Total institutional discount is 14% of tuition & fees, which is in line with other Oregon institutions. Government resources & allocations have increased by \$1.574 million from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is reflective of the addition of \$100 million to the PUSF for all seven universities rather than the \$120 million, which would have met the current service level need and resulted in an additional \$1.4 million in state funding to WOU.

#### Expenses:

Personnel expenses are \$2.169 million more than the prior period. The six months personnel expense includes the second and final retirement window program payment of \$783k. The increase over the last year is due to a pro-rated combination of factors:

- Retirement contributions have increased approximately 2.4% from prior year (from 22% to 24.4%) resulting in \$1.25M annual increase
- The SEIU collective bargaining agreement included regular step increases, a 3% COLA, and 2.5% longevity pay for approximately 60 employees; total annual increase is \$500K, out of which only \$250K was built into the budget
- Faculty pay increased by approximately \$500K annually per the Collective Bargaining Agreement
- Unclassified pay increased by approximately \$350K annually (3%)
- Student pay increased by \$120K from the same period last year
- Approximately \$325K increase from the same period last year for new positions including a paralegal, APA for Salem & Organization Leadership, Violence Prevention Coordinator, two HR positions, and two financial aid positions

Services and supplies expenses are \$1.008 million less than the prior period due to saving efforts, including \$400k in budget reductions.

#### Net Revenues less Expenses:

Net revenues less expenses have decreased by \$2.714 million compared to prior year.

## FY20 Projected Year-End for Education and General Fund Report:

This report provides year-end projections. The projected year-end methodology is a combination of actual revenues and expenses for the first six months of operations and projections for the remaining six months of FY20. Projections for periods seven through twelve are based on the actual FY19 realization/burn rates for period six, which are applied to FY20 revenues and expenses.

### Revenues:

Total revenues are projected to be \$69.391M, \$1.989M less than the FY20 adjusted budget. Tuition is projected to be \$1.248M less than the adjusted budget, due to a continued decline in enrollment and \$1M increase in fee remissions.

### Expenses:

Total expenses are projected to be \$68.450M, \$1.367M more than the FY20 adjusted budget. Personnel is projected to be \$62.572M, \$3.332M more than the adjusted budget. This projection is not reflective of budget reductions that are underway; to date, two staff positions have been eliminated. Service and supplies are projected to be \$5.812M, \$1.828M less than the adjusted budget.

### Operating Net Revenues less Expenses:

Net revenues less expenses are projected to be a loss of \$4.262M versus the FY20 adjusted budget of \$1.311M.

### Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. Salem remodel expenses originally included \$800K of E&G funds, but have been reallocated to Capital Improvement & Renewal (CIR) funds, which is reflected in the transfer schedule.

### Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$7.830M versus the FY20 adjusted budget of \$5.639M. This is primarily due to the decrease in tuition revenue and increase in personnel expense. Projected year end fund balance is \$5.125M, or 7.60% of projected revenues.

Western Oregon University  
**P6 YTD Actual to Actual Variance Education & General Fund**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

As of December 31, 2019  
For the Fiscal Year Ended June 30, 2020

	P6 YTD FY19 Actuals	P6 YTD FY20 Actuals	Variance	Note
<b>Revenues</b>				
Student Fees & Tuition	30,785	28,892	(1,894)	Lower enrollment
Less: Fee Remissions	(3,034)	(4,092)	(1,057)	Increase in fee remissions
Net Student Fees & Tuition	27,751	24,800	(2,951)	
Government Resources & Allocations	15,171	16,745	1,574	HECC higher allocation
Gift Grants and Contracts	395	370	(25)	
Other Revenue	2,000	1,674	(325)	
<b>Total Revenues</b>	<b>45,316</b>	<b>43,589</b>	<b>(1,727)</b>	
<b>Expenses</b>				
Personnel	26,111	28,280	2,169	Salary rate & retirement contribution increases
Service & Supplies	4,367	3,359	(1,008)	
Capital Expense	204	30	(174)	
<b>Total Expenses</b>	<b>30,682</b>	<b>31,668</b>	<b>986</b>	
<b>Net Revenues less Expenses</b>	<b>14,634</b>	<b>11,920</b>	<b>(2,714)</b>	

Western Oregon University  
**P6 Percent Actual Variance Analysis Education & General Fund**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

As of December 31, 2019  
For the Fiscal Year Ended June 30, 2020

	P6 FY19 Realization/ Burn Rate %	P6 FY20 % of Adjusted 2020 Budget	Variance
<b>Revenues</b>			
Student Fees & Tuition (net of remissions)	69.72%	67.36%	-2.36%
Government Resources & Allocations	59.85%	60.86%	1.01%
Gift Grants and Contracts	46.61%	43.52%	-3.09%
Other Revenue	47.50%	39.78%	-7.72%
<b>Total Revenues</b>	<u>64.54%</u>	<u>62.82%</u>	<u>-1.73%</u>
<b>Expenses</b>			
Personnel	43.85%	47.74%	3.89%
Service & Supplies	57.80%	43.96%	-13.83%
Capital Expense	44.96%	14.65%	-30.31%
<b>Total Expenses</b>	<u>45.41%</u>	<u>47.21%</u>	<u>1.79%</u>

Western Oregon University  
 FY20 Projected Year-End  
 (Unaudited, non-GAAP, for management purposes only)  
 (in thousands)

As of December 31, 2019  
 For the Fiscal Year Ended June 30, 2020

	FY19 Year-End Actuals	FY20 Year-End Projected	FY20 Adjusted Budget	Variance FY20 Projected Year-End to Adjusted Budget	Note
<b>Education &amp; General Fund</b>					
<b>Recurring Operating Activities</b>					
Student Fees & Tuition (net of remissions)	39,804	35,571	36,819	(1,248)	Lower enrollment/higher fee remissions.
Government Resources & Allocations	25,348	27,512	27,512	0	Projection is based on amount provided by HECC.
Gift Grants and Contracts	848	794	850	(56)	Timing difference.
Other Revenue	4,209	3,525	4,209	(684)	Timing difference.
<b>Total Revenues</b>	<b>70,209</b>	<b>67,401</b>	<b>69,391</b>	<b>(1,989)</b>	
Personnel	58,712	62,572	59,240	(3,332)	Cost Savings Initiatives not reflected - elimination of two positions.
Service & Supplies	7,556	5,812	7,640	1,828	
Capital Expense	454	66	203	137	
<b>Total Expenses</b>	<b>66,722</b>	<b>68,450</b>	<b>67,083</b>	<b>(1,367)</b>	
Interfund Transfers In	(12,350)	(1,319)	(841)	478	Projection is based on transfer schedule.
Interfund Transfers Out	16,971	4,532	4,460	(72)	Projection is based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>71,343</b>	<b>71,663</b>	<b>70,702</b>	<b>(961)</b>	
<b>Operating Net Revenues less Expenses</b>	<b>(1,134)</b>	<b>(4,262)</b>	<b>(1,311)</b>	<b>2,951</b>	
<b>Other Activities</b>					
Investment in Salem Building	0	(2,698)	(3,500)	(802)	
Retirement Window Payment	(840)	(783)	(783)	0	
Other	(213)	(88)	(45)	43	
Total Other Activities	(1,052)	(3,569)	(4,328)	(759)	
<b>Total Net Revenues less Expenses</b>	<b>(2,187)</b>	<b>(7,830)</b>	<b>(5,639)</b>	<b>2,192</b>	
<b>Fund Balance at the Beginning of the Year</b>	<b>15,143</b>	<b>12,956</b>	<b>12,956</b>		
<b>Fund Balance at the End of the Year</b>	<b>12,956</b>	<b>5,125</b>	<b>7,317</b>		
<b>Fund Balance as a Percentage of Revenues</b>	<b>18.45%</b>	<b>7.60%</b>	<b>10.54%</b>		

Western Oregon University  
**FY20 Projected Year-End**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

As of December 31, 2019  
For the Fiscal Year Ended June 30, 2020

	<b>FY19 Year-End Actuals</b>	<b>FY20 Year-End Projected</b>	<b>FY20 Adjusted Budget</b>	<b>Variance FY20 Projected Year-End to Adjusted Budget</b>	<b>Note</b>
<b>Auxiliary Enterprises Funds</b>					
Enrollment Fees	7,125	6,552	7,032	(480)	
Sales and Services	14,341	14,257	14,339	(82)	
Other Revenue	1,923	2,021	1,725	295	
<b>Total Revenues</b>	<b>23,389</b>	<b>22,830</b>	<b>23,096</b>	<b>(267)</b>	
Personnel	11,374	11,949	12,090	142	
Service & Supplies & Capital Expense	12,719	13,934	13,493	(442)	
<b>Total Expenses</b>	<b>24,093</b>	<b>25,883</b>	<b>25,583</b>	<b>(300)</b>	
Interfund Transfers In	(12,736)	(3,797)	(10,706)	(6,908)	Projection is based on transfer schedule.
Interfund Transfers Out	9,850	318	8,691	8,372	Projection is based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>21,207</b>	<b>22,404</b>	<b>23,568</b>	<b>1,164</b>	
<b>Net Revenues less Expenses</b>	<b>2,182</b>	<b>426</b>	<b>(472)</b>	<b>897</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(2,487)</b>	<b>(2,428)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>12,851</b>	<b>12,546</b>			
<b>Fund Balance at the End of the Year</b>	<b>12,546</b>	<b>10,544</b>			
Fund Balance as a Percentage of Revenues	53.64%	46.18%			
<b>Designated Operations, Service Departments, Clearing Funds</b>					
Enrollment Fees	107	110	113	(3)	
Sales and Services	288	240	174	66	
Other Revenue	2,337	2,243	2,046	197	
<b>Total Revenues</b>	<b>2,732</b>	<b>2,593</b>	<b>2,333</b>	<b>260</b>	
Personnel	1,144	1,014	1,011	(3)	
Service & Supplies & Capital Expense	1,226	1,373	1,312	(61)	
<b>Total Expenses</b>	<b>2,371</b>	<b>2,387</b>	<b>2,323</b>	<b>(64)</b>	
Interfund Transfers In	(343)	(304)	0	304	Projection is based on transfer schedule.
Interfund Transfers Out	299	96	1	(95)	Projection is based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>2,327</b>	<b>2,179</b>	<b>2,324</b>	<b>145</b>	
<b>Net Revenues less Expenses</b>	<b>405</b>	<b>415</b>	<b>9</b>	<b>405</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(420)</b>	<b>(717)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>2,965</b>	<b>2,951</b>			
<b>Fund Balance at the End of the Year</b>	<b>2,951</b>	<b>2,649</b>			
Fund Balance as a Percentage of Revenues	108.01%	102.16%			

**Western Oregon University**  
**Transfers Schedule - Projected**

(Unaudited, non-GAAP, for management purposes only)

	E&G					Auxiliary					Des Ops - Serv Dept.		Plant fund		Other		Total
<b>Transfers In E&amp;G</b>	(a)					(b)	(c)				(b)	(d)			(d)	(e)	
<b>Actual</b>	17,507					265,613	42,677				2,638	90,000			60,000		478,435
<b>Upcoming</b>	831,735														8,893		840,628
<b>Transfers Out E&amp;G</b>	(a)					(c)	(f)	(g)	(h)	(i)			(j)	(k)	(e)		
<b>Actual</b>	17,507								1,170	53,777				2,698,042			2,770,497
<b>Upcoming</b>	831,735					150,000	3,298,158	87,863					175,000	-	4,804		4,547,560
<b>Transfers In AUX</b>	(c)	(f)	(g)	(h)	(i)						(l)		(m)				
<b>Actual</b>				1,170	53,777						3,336		203,087				261,370
<b>Upcoming</b>	150,000	3,298,158	87,863														3,536,021
<b>Transfers Out AUX</b>	(b)	(c)									(n)						
<b>Actual</b>	265,613	42,677									10,000						318,290
<b>Upcoming</b>																	-
<b>Transfers In DO, SD</b>						(n)							(m)		(h)		
<b>Actual</b>						10,000							288,000		6,440		304,440
<b>Upcoming</b>																	-
<b>Transfers Out DO, SD</b>	(b)	(d)				(l)											
<b>Actual</b>	2,638	90,000				3,336											95,974
<b>Upcoming</b>																	-

Type	Description
(a)	General fund interfund transfers including HECC targeted funding and closing old indices
(b)	Return of FY19 'loans' to cover cash deficits in Athletics, Conference Services, Sundry & Rainbow Dance
(c)	Child Development Center support
(d)	Private scholarship interest earnings and Pepsi contract funds to offset fee remissions
(e)	Endowment matches
(f)	Athletic operations support
(g)	Conference Services support
(h)	Misc. transfers
(i)	Werner University Center Pacific Room remodel support
(j)	Small-Scale Energy Loan Program debt service
(k)	Purchase & remodel of Vick Building in Salem
(l)	Close out old library service index
(m)	Building & equipment replacement reserves for Housing, Dining, Parking, Health & Wellness Center, Telecommunications, and the Werner University Center
(n)	Vending income sponsored scholarships