

Finance & Administration Committee (FAC), February 4, 2021

Management Report

Period 6 Actual to Actual Variance Report:

This report provides six months of actual revenue and expense activity (as of December 31, 2020) as compared to the same period in prior fiscal year.

Education & General Fund:

Revenues:

Tuition revenues are \$1.629M less than the prior year due to an approximate 7.5% decrease in fall term and 9.6% decrease in winter term enrollments. Fees are \$4.698M more than the prior year due to approximately \$4.9M online course fee revenue (the FY21 adjusted budget includes \$5.5M for online course fees for the full year). Fee remissions have increased \$638K from the prior year due to being in the second year (meaning two years of eligible students rather than just one) of WOU Supplemental and Transfer awards. Altogether, this results in net tuition and fees being \$2.431M more than the prior year.

Government resources & allocations have increased by \$1.178M from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is reflective of receiving the full original allocation for the second year of the 2019-21 biennium.

Overall, total revenues are \$46.802M, \$3.213M more than the prior year.

Expenses:

Personnel expenses are \$3.611M less than the prior period. In July 2019, the second and final retirement window program payment of \$783K was made and is reflected in the P6 FY20 personnel expense. FY21 personnel expense reflects savings from furloughed employees (1 month for unclassified, 2-6 months for classified) and employees placed on Leave Without Pay. It is also reflective of savings resulting from the 17 eliminated positions that were effective June 30, 2020.

Services and supplies expenses are \$421K less than the prior year.

Overall, total expenses are \$27.638M, \$4.030M less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have increased by \$7.243M compared to prior year.

Auxiliary Enterprises:

Auxiliary Enterprises is comprised of Athletics, University Housing, Campus Dining, Parking, Bookstore, Student Health & Counseling Center (SHCC), Child Development Center (CDC), Incidental Fee, and other minor operations.

Revenues:

Enrollment Fees are down \$3.685M, primarily due to the decrease in incidental and health service fees due to approximately 95% of classes being delivered online (resulting in on-campus fees not being assessed; IFC implemented a winter term fee of \$150 for all students regardless of modality). Sales and Services are down \$3.180M from the prior period, primarily due to Housing being at about 50% of normal occupancy resulting in fewer revenues for Campus Dining as well, and decreased bookstore revenues. Altogether, total revenues are \$3.562M, \$7.526M less than the prior year.

Expenses:

Personnel expenses are \$1.720M less than the prior period and are reflective of furlough savings and savings resulted from employees placed on Leave Without Pay. Service & Supplies are \$3.084M less than the prior year, due to a decrease in auxiliary activities over summer and fall. Overall, total expenses are \$6.644M, \$4.914M less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$2.613M compared to prior year.

FY21 Projected Year-End:

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 FY21. Projections for periods seven through twelve are based on the actual FY20 realization/burn rates for period six, which are applied to FY21 revenues and expenses.

Education & General Fund:

Revenues:

Total revenues are projected to be \$70.393M, \$346K more than the FY21 adjusted budget. Altogether, net student fees & tuition are projected to be \$346K more than the adjusted budget. Tuition is projected to be \$400K less than the adjusted budget due to a continued decline in enrollment. The adjusted budget was built on the assumption that spring term would return to mostly in-person delivery, while the projection is reflective of spring term continuing to be primarily online with an anticipated \$1.2M of online course fees collected over the adjusted budget. Fee remissions are projected to be at \$7.5M,

\$500K over the adjusted budget; financial aid is continuing to work on winter term cancellations and adjustments for Laurel remissions. Gifts, grants, and contracts and other revenues are both projected to meet the FY21 adjusted budget.

Expenses:

Total expenses are projected to be \$65.414M, \$842K less than the FY21 adjusted budget. Personnel is projected to be \$57.144M, \$54K less than the adjusted budget. This projection is built on the assumption that the remaining six months of payroll for the year will be equivalent to December. Service and supplies are cautiously projected to be \$7.832M, \$1.017M less than the adjusted budget; internal sales and external contracts continue to fluctuate with timing differences due to COVID.

Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. This includes the standard transfers out of support to Athletics and the Child Development Center. Other activities include auxiliary support of \$3M, comprised of a one-time transfer to Incidental Fee of \$1M for fall term and an additional projected \$2M transfer to auxiliaries for support due to COVID.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$1.106M versus the FY21 adjusted budget of a loss of \$1.303M. Projected year end fund balance is \$5.134M, or 7.29% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$7.250M, \$5.952M less than the FY21 adjusted budget. Enrollment fees are projected to be \$1.125M, \$1.287M less than the adjusted budget; the adjusted budget for Incidental fee and Health Services fee assumed that spring term would return to a more normal delivery format (resulting in more on-campus fees assessed). Sales and services are projected to be \$4.757M, \$4.434M less than the adjusted budget; this is due primarily to decreased revenues in campus dining and the bookstore.

Expenses:

Total expenses are projected to be \$13.502M, \$6.190M less than the adjusted budget. Personnel is projected to be \$7.970M, \$1.272M less than the adjusted budget. Service and supplies are projected to be \$5.531M, \$4.918M less than the adjusted budget. The

projected savings primarily correlate to decreased activity in campus dining and the bookstore.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$2.173M compared to the FY21 adjusted budget of a loss of \$3.411M. Projected year end fund balance is \$4.947M.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY21 Projected Year-End Report and the overall Management Report as of December 31, 2020.

Western Oregon University
P6 YTD Actual to Actual Variance

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

As of December 31, 2020
For the Fiscal Year Ended June 30, 2021

	P6 YTD FY20	P6 YTD FY21	Variance	Note
	Actuals	Actuals		
Education & General Fund				
Revenues				
Tuition	27,817	26,188	(1,629)	Decreased enrollment.
Fees	1,075	5,773	4,698	FY21 reflects \$4.9M of online course fee revenue.
Less: Fee Remissions	(4,092)	(4,730)	(638)	Reflective of two years of students qualifying for WOU Supplemental and Transfer awards.
Net Student Fees & Tuition	24,800	27,231	2,431	
Government Resources & Allocations	16,745	17,923	1,178	HECC higher allocation.
Gift Grants and Contracts	370	265	(104)	
Other Revenue	1,674	1,382	(292)	
Total Revenues	43,589	46,802	3,213	
Expenses				
Personnel	28,280	24,669	(3,611)	FY20 includes \$783K of retirement window payment; FY21 reflects LWOP and furlough savings.
Service & Supplies	3,359	2,938	(421)	
Capital Expense	30	32	2	
Total Expenses	31,668	27,638	(4,030)	
Net Revenues less Expenses	11,920	19,164	7,243	

Western Oregon University
P6 YTD Actual to Actual Variance

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

As of December 31, 2020
For the Fiscal Year Ended June 30, 2021

	P6 YTD FY20	P6 YTD FY21	Variance	Note
	Actuals	Actuals		
Auxiliary Enterprises Funds				
Revenues				
Enrollment Fees	4,458	773	(3,685)	Reflects decrease in incidental fees.
Sales and Services	5,829	2,649	(3,180)	Reflects decrease in housing/other auxiliary revenues.
Other Revenue	802	140	(662)	
Total Revenues	11,089	3,562	(7,526)	
Expenses				
Personnel	5,614	3,894	(1,720)	FY21 reflects LWOP and furlough savings.
Service & Supplies	5,834	2,750	(3,084)	
Capital Expense	109	-	(109)	
Total Expenses	11,558	6,644	(4,914)	
Net Revenues less Expenses	(469)	(3,082)	(2,613)	
Designated Operations, Service Departments, Clearing Funds				
Revenues				
Enrollment Fees	7,664	2,199	(5,465)	
Sales and Services	18	14	(4)	
Other Revenue	338	51	(287)	
Total Revenues	8,020	2,264	(5,756)	
Expenses				
Personnel	1,215	960	(255)	
Service & Supplies	238	198	(41)	
Capital Expense	553	397	(156)	
Total Expenses	2,006	1,555	(452)	
Net Revenues less Expenses	6,014	709	(5,305)	

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

As of December 31, 2020
For the Fiscal Year Ended June 30, 2021

	P6 FY20 Realization/ Burn Rate %	P6 FY21 % of FY21 Adjusted Budget	Variance
Education & General Fund			
Revenues			
Student Fees & Tuition (net of remissions)	70.99%	71.73%	0.74%
Government Resources & Allocations	60.85%	61.84%	0.99%
Gift Grants and Contracts	49.64%	53.09%	3.44%
Other Revenue	44.82%	53.16%	8.34%
Total Revenues	65.12%	66.82%	1.69%
Expenses			
Personnel	45.89%	43.13%	-2.76%
Service & Supplies	43.00%	33.20%	-9.80%
Capital Expense	7.22%	15.09%	7.87%
Total Expenses	45.34%	41.71%	-3.62%

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

As of December 31, 2020
For the Fiscal Year Ended June 30, 2021

	P6 FY20 Realization/ Burn Rate %	P6 FY21 % of FY21 Adjusted Budget	Variance
Auxiliary Enterprises Funds			
Revenues			
Enrollment Fees	68.71%	32.05%	-36.66%
Sales and Services	55.70%	28.83%	-26.87%
Other Revenue	38.03%	8.75%	-29.28%
Total Revenues	58.17%	26.98%	-31.19%
Expenses			
Personnel	48.85%	42.13%	-6.72%
Service & Supplies	49.72%	26.32%	-23.40%
Capital Expense	100.00%	100.00%	0.00%
Total Expenses	49.76%	33.74%	-16.02%
Designated Operations, Service Departments, Clearing Funds			
Revenues			
Enrollment Fees	7250.04%	1943.28%	-5306.77%
Sales and Services	12.22%	10.72%	-1.50%
Other Revenue	16.16%	2.53%	-13.63%
Total Revenues	342.13%	99.54%	-242.59%
Expenses			
Personnel	109.17%	97.46%	-11.71%
Service & Supplies	22.65%	15.06%	-7.59%
Capital Expense	7367.89%	100.00%	-7267.89%
Total Expenses	92.32%	67.66%	-24.66%

Western Oregon University
 FY21 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of December 31, 2020
 For the Fiscal Year Ended June 30, 2021

	FY20 Year-End Actuals	FY21 Projected Year-End	FY21 Adjusted Budget	Variance FY21 Projected Year-End to Adjusted Budget	Note
Education & General Fund					
Recurring Operating Activities					
Student Fees & Tuition (net of remissions)	34,935	38,311	37,965	346	Includes \$7.5M of fee remissions, FA is still working on winter term cancellations and adjustments for Laurel.
Government Resources & Allocations	27,516	28,982	28,982	-	Projection is based on amount provided by HECC.
Gift Grants and Contracts	745	500	500	-	Projection is based on budgeted amount.
Other Revenue	3,736	2,600	2,600	-	Projection is based on budgeted amount.
Total Revenues	66,933	70,393	70,047	346	
Personnel	61,630	57,144	57,198	54	Projection assumes that the remaining 6 months are the same as December's payroll.
Service & Supplies	7,810	7,832	8,849	1,017	Continuuuing to reconcile internal sales and external contract timing differences due to COVID.
Capital Expense	411	438	210	(228)	
Total Expenses	69,852	65,414	66,256	842	
Net Transfers	2,975	3,086	3,094	8	Projection is based on transfer schedule.
Total Expenses and Transfers	72,827	68,499	69,350	851	
Operating Net Revenues less Expenses	(5,894)	1,894	697	1,197	
Other Activities					
Auxiliary Support	-	(3,000)	(2,000)	1,000	
Investment in Salem Building	(2,698)	-	-	-	
CARES Reimbursement for Salary	1,800	-	-	-	
Retirement Window Payment	(783)	-	-	-	
Other	(213)	-	-	-	
Total Other Activities	(1,893)	(3,000)	(2,000)	1,000	
Total Net Revenues less Expenses	(7,787)	(1,106)	(1,303)	2,197	
Additions/Deductions to Fund Balance	1,072	-	-		
Fund Balance at the Beginning of the Year	12,956	6,240	6,240		
Fund Balance at the End of the Year	6,240	5,134	4,937		
Fund Balance as a Percentage of Revenues	9.32%	7.29%	7.05%		

Western Oregon University
FY21 Projected Year-End
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of December 31, 2020
For the Fiscal Year Ended June 30, 2021

	FY20 Year-End Actuals	FY21 Projected Year-End	FY21 Adjusted Budget	Variance FY21 Projected Year-End to Adjusted Budget	Note
Auxiliary Enterprises Funds					
Enrollment Fees	6,488	1,125	2,412	(1,287)	
Sales and Services	10,466	4,757	9,191	(4,434)	
Other Revenue	2,108	1,368	1,599	(231)	
Total Revenues	19,062	7,250	13,202	(5,952)	
Personnel	11,491	7,970	9,242	1,272	
Service & Supplies	11,734	5,531	10,449	4,918	
Capital Expense	-	-	-	-	
Total Expenses	23,225	13,502	19,692	6,190	
Net Transfers	(3,346)	(4,079)	(3,079)	1,000	Projection is based on transfer schedule.
Total Expenses and Transfers	19,879	9,423	16,613	7,190	
Net Revenues less Expenses	(817)	(2,173)	(3,411)	1,238	
Additions/Deductions to Fund Balance	(2,173)	(2,435)			
Fund Balance at the Beginning of the Year	12,546	9,556			
Fund Balance at the End of the Year	9,556	4,947			
Fund Balance as a Percentage of Revenues	50.13%	68.23%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	106	30	113	(83)	
Sales and Services	144	111	127	(16)	
Other Revenue	2,094	319	2,034	(1,716)	
Total Revenues	2,344	460	2,274	(1,814)	
Personnel	1,113	880	985	106	
Service & Supplies	1,053	872	1,312	440	
Capital Expense	8	5	-	(5,383.50)	
Total Expenses	2,173	1,757	2,297	540	
Net Transfers	(225)	1	1	-	Projection is based on transfer schedule.
Total Expenses and Transfers	1,949	1,758	2,298	540	
Net Revenues less Expenses	396	(1,298)	(24)	419	
Additions/Deductions to Fund Balance	(365)	(360)			
Fund Balance at the Beginning of the Year	2,951	2,982			
Fund Balance at the End of the Year	2,982	1,325			
Fund Balance as a Percentage of Revenues	127.21%	287.89%			

Western Oregon University
Transfers Schedule - Projected FY21
(Unaudited, non-GAAP, for management purposes only)

	E&G				Auxiliary				Des Ops - Serv Dept.	Plant fund	Other		Total
Transfers In E&G											(a)	(b)	
Actual											8,218		8,218
Upcoming												8,893	8,893
Transfers Out E&G					(c)	(d)	(e)	(f)		(g)	(b)		
Actual													-
Upcoming					150,000	2,772,874	1,000,000	2,000,000		175,000	4,804		6,102,678
Transfers In AUX	(c)	(d)	(e)	(f)									
Actual													-
Upcoming	150,000	2,772,874	1,000,000	2,000,000									5,922,874
Transfers Out AUX					(h)					(i)	(j)	(a)	
Actual													-
Upcoming					86,563					133,838	1,618,801	5,000	1,844,202
Transfers In DO, SD													
Actual													-
Upcoming													-
Transfers Out DO, SD											(a)		
Actual													-
Upcoming											750		750

Type	Description
(a)	Misc. transfers
(b)	Endowment matches
(c)	Child Development Center support
(d)	Athletic operations support
(e)	Fall Incidental Fee support
(f)	Potential Auxiliary support
(g)	Small-Scale Energy Loan Program debt service
(h)	Incidental fee misc. transfers out
(i)	Student Engagement & Campus Recreation transfers to building/equipment reserves
(j)	Transfers out from Housing and Recreation Center Building Fee for debt service payments