

Finance & Administration Committee (FAC), January 26, 2023 Management Report

Period 6 Actual to Actual Variance:

Education & General Fund Report:

This report provides six months of actual revenue and expense activity (as of December 31, 2022) as compared to the same period in prior fiscal year.

Revenues:

Tuition revenues are \$1.062M less than the prior year despite having a modest tuition increase (3.19% for resident undergrad) due to an approximate 7.0% enrollment decrease in Fall 2022 and 5.2% enrollment decrease in Winter 2023 (both decreases respective to the same term prior year; 4.9% attrition between Fall 2022 and Winter 2023). Online course fees have decreased by \$229K because of decreased enrollment. Other fees are \$59K more than the prior year. Fee remissions have decreased \$1.245M from the prior year; however, FY22 P6 includes winter term fee remissions while FY23 P6 does not. Fee remissions as of January 17, 2023 (including winter term) total \$3.276M. Altogether, this results in net tuition and fees for Period 6 being \$13K more than the prior year.

Government resources & allocations have increased by \$683K from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is the fifth and sixth quarterly distributions for the 2021-23 biennium. 49% of PUSF is distributed in year 1 (FY22) and the remaining 51% distributed in year 2 (FY23).

Gift grants and contracts revenue has increased by \$271K from prior year, primarily reflecting increased grant indirect revenue. Other revenues have decreased by \$1.077M from the prior year; FY22 included \$1.5M of reimbursement from the American Rescue Plan.

Overall, total revenues are \$44.797M, \$110K less than the prior year.

Expenses:

Personnel expenses are \$310K more than the prior period and reflect variations in faculty/staff from the prior year. T/TT faculty received step increases and a 1.5% COLA effective September 2022, NTT faculty received a 2.75% COLA effective September 2022, unclassified staff received a 4.5% COLA effective July 1, 2022, and classified staff received step increases and a 2.5% COLA effective July 1, 2022.

Services and supplies expenses are \$109K more than the prior year.

Overall, total expenses are \$29.268M, \$401K more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$512K 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 have decreased by \$407K, primarily because of decreased enrollment and the change to the incidental fee structure (in FY22, fee of \$355 was charged to all students at credit 1; in FY23, the fee is \$372, but a reduced fee of \$200 is charged to students not enrolled on the Monmouth campus). Sales and Services are down \$124K from the prior year. Other Revenue increased by \$485K, primarily due to increased conference activity. Altogether, auxiliary revenue totals \$9.274M and has decreased \$47K from the prior year.

Expenses:

Personnel expenses are \$575K more than the prior year. Service & Supplies are \$841K more than the prior year. Altogether, auxiliary expense total \$9.998M, an increase of \$1.481M from the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$724K and have decreased by \$1.527M compared to prior year.

Designated Operations, Service Departments, Clearing Funds:

Designated Operations, Service Departments, and Clearing Funds is comprised primarily of Telecommunications and Oregon Council of Presidents.

Revenues and expenses are comparable to prior year, with revenues up \$34K and expenses up \$113K, for a net difference from prior year of -\$79K.

FY23 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 FY23. Projections for periods seven through twelve are based on the actual FY22 realization/burn rates for period six, which are applied to FY23 revenues and expenses.

Education & General Fund:

Revenues:

Total revenues are projected to be \$66.944M, \$1.075M more than the FY23 adjusted budget. Altogether, net student fees & tuition are projected to be \$598K more than the adjusted budget, which encompasses a projection of \$5M for fee remissions, \$500K less than what was budgeted. Gifts, grants, and contracts are projected at \$1.835M, \$655K higher than the FY23 adjusted budget, primarily because of increased grant indirect activity. Other revenues are projected to be \$2.422M, \$178K less than the FY23 adjusted budgeted amount.

Expenses:

Total expenses are projected to be \$67.285M, \$2.700M less than the FY23 adjusted budget. Personnel is projected to be \$57.012M, \$3.020M less than the budget due to salvage savings from vacant positions; \$550K of salvage savings were incorporated into the FY23 adjusted budget as a one-time activity. Service and supplies are projected to be \$10.129M, \$366K more than the FY23 adjusted budget.

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.

One-Time Activities:

One-time activities include a \$299K reimbursement to E&G from HEERF SSARP, \$150K transfer in from the quasi endowment to support the equity audit, and \$1.151M for miscellaneous activities including Banner financial aid implementation, EAB and RNL contracts, equity audit, Freedom Center, President's relocation, accreditation visit, Title IX outsourcing, and other misc. one-time expenses (projected salvage savings can be seen above in the personnel line item).

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$4.670M versus the FY23 adjusted budget of a loss of \$7.896M. This difference is primarily due to savings in budgeted fee remissions and anticipated personnel salvage savings. Projected year-end fund balance is \$10.420M, or 16.01% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$18.896M, \$323K more than the FY23 adjusted budget. Enrollment fees are projected to be \$5.087M, \$522K less than the budget, primarily due to decreased enrollment. Sales and services are projected to be \$10.522M, \$442K less than budgeted. Other revenues are projected to be \$3.287M, \$1.286M more than the FY23 adjusted budget, primarily due to increased conference activity.

Expenses:

Total expenses are projected to be \$24.136M, \$3.066M more than the budget. Personnel is projected to be \$10.875M, \$283K more than the adjusted budget. Service and supplies are projected to be \$13.197M, \$2.719M more than the adjusted FY23 budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$3.779M compared to the FY23 adjusted budget of a loss of \$1.036M. This results in a projected year end fund balance of \$1.413M.

Designated Operations, Service Departments, Clearing Funds:

Revenues:

Total revenues are projected to be \$2.229M, \$24K less than budget.

Expenses:

Total expenses are projected to be \$2.623M, \$343K over the budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$395K compared to the FY23 budget of a loss of \$28K.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY23 Projected Year-End Report and the overall Management Report as of December 31, 2022.

Western Oregon University
P6 YTD Actual to Actual Variance

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

As of December 31, 2022
For the Fiscal Year Ended June 30, 2023

	P6 FY22 Actuals	P6 FY22 Realization/ Burn Rate %	P6 FY23 Actuals	P6 FY23 % of Budget	Variance		Note
					Actuals	%	
Education & General Fund							
Revenues							
Tuition	22,896		21,834		(1,062)		Decreased enrollment.
Online Course Fees	2,479		2,250		(229)		
Other Fees	807		865		59		
Less: Fee Remissions	(2,955)		(1,710)		1,245		FY22 includes winter term, while FY23 does not.
Net Student Fees & Tuition	23,226	70.38%	23,239	77.15%	13	6.76%	
Government Resources & Allocations	18,716	59.88%	19,398	60.68%	683	0.81%	
Gift Grants and Contracts	477	40.78%	748	63.42%	271	22.64%	
Other Revenue	2,488	58.26%	1,411	54.27%	(1,077)	-3.98%	FY22 includes \$1.5M ARP reimbursement.
Total Revenues	44,907	64.43%	44,797	68.01%	(110)	3.58%	
Expenses							
Personnel	23,951	42.95%	24,260	40.41%	310	-2.54%	
Service & Supplies	4,872	49.18%	4,981	51.02%	109	1.84%	
Capital Expense	44	18.44%	26	13.96%	(17)	-4.47%	
Total Expenses	28,867	43.80%	29,268	41.82%	401	-1.98%	
Net Revenues less Expenses	16,040		15,529		(512)		

Western Oregon University
P6 YTD Actual to Actual Variance

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

As of December 31, 2022
For the Fiscal Year Ended June 30, 2023

	P6 FY22 Actuals	P6 FY22 Realization/ Burn Rate %	P6 FY23 Actuals	P6 FY23 % of Budget	Variance		Note
					Actuals	%	
Auxiliary Enterprises Funds							
Revenues							
Enrollment Fees	3,878	68.24%	3,471	61.89%	(407)	-6.35%	
Sales and Services	4,298	39.67%	4,174	38.07%	(124)	-1.60%	
Other Revenue	1,144	49.56%	1,629	81.42%	485	31.86%	
Total Revenues	9,321	49.50%	9,274	49.93%	(47)	0.43%	
Expenses							
Personnel	4,550	47.13%	5,126	48.39%	575	1.26%	
Service & Supplies	3,967	36.43%	4,808	45.89%	841	9.45%	
Capital Expense	-	100.00%	64	100.00%	64	0.00%	
Total Expenses	8,517	41.46%	9,998	47.45%	1,481	5.99%	
Net Revenues less Expenses	803		(724)		(1,527)		
Designated Operations, Service Departments, Clearing Funds							
Revenues							
Enrollment Fees	11	31.94%	27	56.21%	16	24.27%	
Sales and Services	63	44.78%	75	59.36%	13	14.58%	
Other Revenue	924	47.01%	929	44.70%	5	-2.30%	
Total Revenues	997	46.62%	1,031	45.77%	34	-0.85%	
Expenses							
Personnel	453	58.05%	378	37.09%	(75)	-20.96%	
Service & Supplies	501	34.97%	689	54.65%	189	19.69%	
Capital Expense	-	0.00%	-	100.00%	-	100.00%	
Total Expenses	954	43.11%	1,067	46.81%	113	3.70%	
Net Revenues less Expenses	43		(36)		(79)		

Western Oregon University
 FY23 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of December 31, 2022
 For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Adjusted Budget	Variance FY23 Projected Year-End to Budget	Note
Education & General Fund					
Recurring Operating Activities					
Student Fees & Tuition (net of remissions)	33,000	30,721	30,123	598	
Government Resources & Allocations	31,257	31,966	31,966	-	Projection based on budget.
Gift Grants and Contracts	1,171	1,835	1,180	655	
Other Revenue	4,270	2,422	2,600	(178)	
Total Revenues	69,697	66,944	65,869	1,075	
Personnel	55,759	57,012	60,033	3,020	Salvage savings.
Service & Supplies	9,907	10,129	9,763	(366)	
Capital Expense	238	144	190	46	
Total Expenses	65,904	67,285	69,986	2,700	
Net Transfers	4,809	3,627	3,627	-	Projection is based on transfer schedule.
Total Expenses and Transfers	70,713	70,912	73,613	2,700	
Operating Net Revenues less Expenses	(1,016)	(3,968)	(7,744)	3,776	
One-Time Activities					
HEERF Reimbursement	5,168	299	299	-	
Quasi Endowment	(850)	150	150	-	
Salvage Savings Sweep	-	-	550	(550)	See personnel savings above.
Other	-	(1,151)	(1,151)	-	Projection based on budget.
Total One-Time Activities	4,318	(702)	(152)	(550)	
Total Net Revenues less Expenses	3,301	(4,670)	(7,896)	3,226	
Fund Balance at the Beginning of the Year	10,870	15,090	15,090		
Additions/Deductions to Fund Balance	918	-	-		
Fund Balance at the End of the Year	15,090	10,420	7,194		
Fund Balance as a Percentage of Revenues	20.16%	16.01%	11.38%		

Western Oregon University
FY23 Projected Year-End
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of December 31, 2022
For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Adjusted Budget	Variance FY23 Projected Year-End to Budget	Note
Auxiliary Enterprises Funds					
Enrollment Fees	5,683	5,087	5,608	(522)	
Sales and Services	10,836	10,522	10,964	(442)	
Other Revenue	2,309	3,287	2,001	1,286	
Total Revenues	18,828	18,896	18,573	323	
Personnel	9,654	10,875	10,592	(283)	
Service & Supplies	10,888	13,197	10,478	(2,719)	
Capital Expense	-	64	-	(64)	
Total Expenses	20,542	24,136	21,070	(3,066)	
Net Transfers	(2,827)	(1,461)	(1,461)	-	Projection is based on transfer schedule.
Total Expenses and Transfers	17,716	22,675	19,609	(3,066)	
Net Revenues less Expenses	1,112	(3,779)	(1,036)	(2,743)	
HEERF Funds	1,487	-	-	-	
Additions/Deductions to Fund Balance	(1,921)	(1,825)			
Fund Balance at the Beginning of the Year	6,339	7,017			
Fund Balance at the End of the Year	7,017	1,413			
Fund Balance as a Percentage of Revenues	37.27%	7.48%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	34	85	48	37	
Sales and Services	140	168	127	41	
Other Revenue	1,965	1,976	2,078	(102)	
Total Revenues	2,139	2,229	2,253	(24)	
Personnel	781	651	1,019	368	
Service & Supplies	1,433	1,972	1,262	(710)	
Capital Expense	0	-	-	-	
Total Expenses	2,213	2,623	2,281	(342)	
Net Transfers	(46)	1	1	-	Projection is based on transfer schedule.
Total Expenses and Transfers	2,168	2,624	2,281	(342)	
Net Revenues less Expenses	(29)	(395)	(28)	(1)	
Additions/Deductions to Fund Balance	(277)	(243)			
Fund Balance at the Beginning of the Year	3,047	2,741			
Fund Balance at the End of the Year	2,741	2,104			
Fund Balance as a Percentage of Revenues	128.17%	94.39%			

Western Oregon University
Transfers Schedule - Projected FY23
(Unaudited, non-GAAP, for management purposes only)

	E&G		Auxiliary		Des Ops - Serv Dept.	Plant fund	Other	Total
Transfers In E&G							(a)	
Actual							-	-
Upcoming							8,893	8,893
Transfers Out E&G			(b)	(c)		(d)	(a)	
Actual			-	-		-	-	-
Upcoming			150,000	3,287,753		175,000	23,131	3,635,884
Transfers In AUX	(b)	(c)				(e)		
Actual	-	-				127,047		127,047
Upcoming	150,000	3,287,753				-		3,437,753
Transfers Out AUX						(e)	(f)	
Actual						-	-	-
Upcoming						128,372	1,975,371	2,103,743
Transfers In DO, SD							(g)	
Actual							-	-
Upcoming							-	-
Transfers Out DO, SD							(g)	
Actual							-	-
Upcoming							750	750

Type	Description
(a)	Miscellaneous (endowment matches, student vaccine initiative, etc.)
(b)	Child Development Center support
(c)	Athletic operations support
(d)	Small-Scale Energy Loan Program debt service
(e)	Auxiliary transfers to/from building/equipment reserves
(f)	Misc. auxiliary transfers, including debt payments for Housing and Recreation Center Building Fee
(g)	Misc. designated operations and service departments transfers