

Finance & Administration Committee (FAC), April 7, 2023, FY2023 Management Report

Period 8 Actual to Actual Variance:

Education & General Fund Report:

This report provides eight months of actual revenue and expense activity (as of February 28, 2023) as compared to the same period in prior fiscal year.

Revenues:

Tuition revenues are \$1.238M 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 \$325K because of decreased enrollment. Other fees are \$62K more than the prior year. Fee remissions have increased \$226K from the prior year. Altogether, this results in net tuition and fees for Period 8 being \$1.727M less than the prior year.

Government resources & allocations have increased by \$1.242M from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This includes the fifth-seventh 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 \$690K from prior year, primarily reflecting increased grant indirect revenue. Other revenues have increased by \$370K from the prior year.

Overall, total revenues are \$51.804M, \$575K more than the prior year.

Expenses:

Personnel expenses are \$35K 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 \$335K less than the prior year.

Overall, total expenses are \$40.697M, \$295K less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have increased by \$870K 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 \$446K, 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 \$253K from the prior year, primarily in housing/dining (\$275K down, other areas are up to compensate for this). Other Revenue increased by \$497K, primarily due to increased conference activity. Altogether, auxiliary revenue totals \$11.971M and has decreased \$202K from the prior year.

Expenses:

Personnel expenses are \$635K more than the prior year, primarily in housing/dining (\$281K) and athletics (\$156K). Service & Supplies are \$1.696M more than the prior year, primarily in housing/dining (\$628K), incidental fee funded areas (\$260K), and athletics (\$578K). Altogether, auxiliary expense total \$14.645M, an increase of \$2.331M from the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$2.674M and have decreased by \$2.533M 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. The Clearing Fund is cleared on a quarterly basis. As of February 28th, the clearing fund reflects temporary revenue and expense balances, these balances can cause misleading comparisons as a result.

Revenues and expenses are comparable to prior year, with revenues up \$535K (although \$353K is related to the clearing fund) and expenses up \$27K, for a net difference from prior year of \$508K.

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 eight months of operations and projections for the remaining four months of FY23. Projections for periods nine through twelve are based on the actual FY22 realization/burn rates for period eight, which are applied to FY23 revenues and expenses.

Education & General Fund:

Revenues:

Total revenues are projected to be \$68.507M, \$2.638M more than the FY23 adjusted budget. Altogether, net student fees & tuition are projected to be \$527K more than the adjusted budget, which encompasses a projection of \$5M for fee remissions, \$500K less than what was budgeted. Government Resources & Allocations are projected to be \$32.373M based on the latest schedule provided from HECC. Gifts, grants, and contracts are projected at \$2.464M, \$1.284M higher than the FY23 adjusted budget, primarily because of increased grant indirect activity. Other revenues are projected to be \$3.02M, \$420K more than the FY23 adjusted budgeted amount.

Expenses:

Total expenses are projected to be \$67.063M, \$3.524M less than the FY23 adjusted budget. Personnel is projected to be \$56.418M, \$3.075M 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 \$10.384M, \$521K less than the FY23 adjusted budget, which includes \$1.141M of one-time expense.

Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. This includes projected transfers to Athletics of \$4M to make their operations whole (\$3.177M budgeted) and \$150K to subsidize Child Development Center operations. Other transfers included are \$660K that has been transferred out for the Student Success Center XI-G match, and a \$150K projected transfer in from the quasi endowment to support the equity audit.

One-Time Activities:

One-time activities include a \$299K reimbursement to E&G from HEERF SSARP. This is the last of the expected funds from HEERF.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$3.106M versus the FY23 adjusted budget of a loss of \$7.896M. This difference is primarily due to

savings in budgeted fee remissions, an increase in grant indirect revenue, and anticipated personnel salvage savings. Projected year-end fund balance is \$11.984M, or 17.49% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$18.53M, \$44K less than the FY23 adjusted budget. Enrollment fees are projected to be \$5.039M, \$569K less than the budget, primarily due to decreased enrollment. Sales and services are projected to be \$10.428M, \$536K less than budgeted. Other revenues are projected to be \$3.063M, \$1.062M more than the FY23 adjusted budget, primarily due to increased conference activity.

Expenses:

Total expenses are projected to be \$24.575M, \$3.505M more than the budget. Personnel is projected to be \$10.632M, \$40K more than the adjusted budget. Service and supplies are projected to be \$13.943M, \$3.465M 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 \$3.872M compared to the FY23 adjusted budget of a loss of \$1.036M. This results in a projected year end fund balance of \$1.317M.

Designated Operations, Service Departments, Clearing Funds:

Revenues:

Total revenues are projected to be \$2.359M, \$105K more than budget.

Expenses:

Total expenses are projected to be \$2.344M, \$63K over the budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be \$14K 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 February 28, 2023.

Western Oregon University
P8 YTD Actual to Actual Variance

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

As of February 28, 2023
For the Fiscal Year Ended June 30, 2023

	P8 FY22 Actuals	P8 FY22 Realization/ Burn Rate %	P8 FY23 Actuals	P8 FY23 % of Budget	Variance		Note
					Actuals	%	
Education & General Fund							
Revenues							
Tuition	23,028		21,790		(1,238)		Decreased enrollment.
Online Course Fees	2,576		2,250		(325)		
Other Fees	871		933		62		
Less: Fee Remissions	(3,192)		(3,417)		(226)		
Net Student Fees & Tuition	23,283	70.56%	21,556	71.56%	(1,727)	1.00%	
Government Resources & Allocations	25,935	82.97%	27,177	85.02%	1,242	2.04%	
Gift Grants and Contracts	624	53.35%	1,314	111.39%	690	58.04%	
Other Revenue	1,387	49.91%	1,757	67.58%	370	17.67%	
Total Revenues	51,229	75.11%	51,804	78.65%	575	3.54%	
Expenses							
Personnel	34,607	62.07%	34,642	58.23%	(35)	-3.84%	
Service & Supplies	6,336	63.95%	6,001	55.03%	335	-8.92%	
Capital Expense	49	20.77%	54	28.63%	(5)	7.85%	
Total Expenses	40,992	62.20%	40,697	57.65%	295	-4.54%	
Net Revenues less Expenses	10,237		11,107		870		

Western Oregon University
P8 YTD Actual to Actual Variance

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

As of February 28, 2023
For the Fiscal Year Ended June 30, 2023

	P8 FY22 Actuals	P8 FY22 Realization/ Burn Rate %	P8 FY23 Actuals	P8 FY23 % of Budget	Variance		Note
					Actuals	%	
Auxiliary Enterprises Funds							
Revenues							
Enrollment Fees	3,938	69.30%	3,492	62.27%	(446)	-7.03%	
Sales and Services	6,711	61.93%	6,458	58.90%	(253)	-3.03%	
Other Revenue	1,523	65.97%	2,020	100.98%	497	35.00%	
Total Revenues	12,172	64.65%	11,971	64.45%	(202)	-0.20%	
Expenses							
Personnel	6,267	64.92%	6,902	65.16%	(635)	0.25%	
Service & Supplies	6,046	55.53%	7,743	73.89%	(1,696)	18.36%	
Capital Expense	-	100.00%	-	100.00%	-	0.00%	
Total Expenses	12,313	59.94%	14,645	69.50%	(2,331)	9.56%	
Net Revenues less Expenses	(141)		(2,674)		(2,533)		
Designated Operations, Service Departments, Clearing Funds							
Revenues							
Enrollment Fees	(7)	-21.71%	366	759.74%	373	781.45%	
Sales and Services	90	64.09%	92	72.40%	2	8.32%	
Other Revenue	1,256	63.90%	1,416	68.12%	160	4.22%	
Total Revenues	1,338	62.57%	1,873	83.14%	535	20.57%	
Expenses							
Personnel	592	75.80%	529	51.96%	62	-23.84%	
Service & Supplies	744	51.97%	855	67.77%	(111)	15.81%	
Capital Expense	21	21498.59%	-	100.00%	21	-21398.59%	
Total Expenses	1,358	61.33%	1,384	60.71%	(27)	-0.63%	
Net Revenues less Expenses	(19)		489		508		

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

As of February 28, 2023
 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	30,650	30,123	527	
Government Resources & Allocations	31,257	32,373	31,966	407	Projection is based on schedule from HECC.
Gift Grants and Contracts	1,171	2,464	1,180	1,284	
Other Revenue	2,779	3,020	2,600	420	
Total Revenues	68,206	68,507	65,869	2,638	
Personnel	55,759	56,418	59,493	3,075	Salvage savings (\$550K budgeted)
Service & Supplies	9,907	10,384	10,905	521	Budget includes \$1.141M one-time expense
Capital Expense	238	261	190	(72)	
Total Expenses	65,904	67,063	70,587	3,524	
Net Transfers	4,168	4,849	3,477	(1,372)	Projection is based on transfer schedule.
Total Expenses and Transfers	70,072	71,913	74,064	2,151	
Operating Net Revenues less Expenses	(1,866)	(3,406)	(8,195)	4,790	
One-Time Activities					
HEERF Reimbursement	5,168	299	299	-	
Total One-Time Activities	5,168	299	299	-	
Total Net Revenues less Expenses	3,301	(3,106)	(7,896)	4,790	
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	11,984	7,194		
Fund Balance as a Percentage of Revenues	20.57%	17.49%	11.38%		

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

As of February 28, 2023
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	5,039	5,608	(569)	
Sales and Services	10,836	10,428	10,964	(536)	
Other Revenue	2,309	3,063	2,001	1,062	
Total Revenues	18,828	18,530	18,573	(44)	
Personnel	9,654	10,632	10,592	(40)	
Service & Supplies	10,888	13,943	10,478	(3,465)	
Capital Expense	-	-	-	-	
Total Expenses	20,542	24,575	21,070	(3,505)	
Net Transfers	(2,827)	(2,173)	(1,461)	712	Projection is based on transfer schedule.
Total Expenses and Transfers	17,716	22,402	19,609	(2,793)	
Net Revenues less Expenses	1,112	(3,872)	(1,036)	(2,837)	
HEERF Funds	1,487	-	-	-	
Additions/Deductions to Fund Balance	(1,921)	(1,828)			
Fund Balance at the Beginning of the Year	6,339	7,017			
Fund Balance at the End of the Year	7,017	1,317			
Fund Balance as a Percentage of Revenues	37.27%	7.11%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	34	-	48	(48)	
Sales and Services	140	143	127	16	
Other Revenue	1,965	2,215	2,078	137	
Total Revenues	2,139	2,359	2,253	105	
Personnel	781	698	1,019	321	
Service & Supplies	1,433	1,645	1,262	(384)	
Capital Expense	0	-	-	-	
Total Expenses	2,213	2,344	2,281	(63)	
Net Transfers	(46)	1	1	-	Projection is based on transfer schedule.
Total Expenses and Transfers	2,168	2,345	2,281	(63)	
Net Revenues less Expenses	(29)	14	(28)	(1)	
Additions/Deductions to Fund Balance	(277)	(241)			
Fund Balance at the Beginning of the Year	3,047	2,741			
Fund Balance at the End of the Year	2,741	2,515			
Fund Balance as a Percentage of Revenues	128.17%	106.63%			

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)	(b)	(b)	
Actual								-	299,487	-	299,487
Upcoming								8,893	-	150,000	158,893
Transfers Out E&G			(c)	(d)		(e)	(f)	(a)			
Actual			-	-		-	660,000	-			660,000
Upcoming			150,000	4,000,000		175,000	-	23,131			4,348,131
Transfers In AUX	(c)	(d)				(g)					
Actual	-	-				127,047					127,047
Upcoming	150,000	4,000,000				-					4,150,000
Transfers Out AUX						(g)		(h)			
Actual						-		-			-
Upcoming						128,372		1,975,371			2,103,743
Transfers In DO, SD											
Actual											-
Upcoming											-
Transfers Out DO, SD								(i)			
Actual								-			-
Upcoming								750			750

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