



**Board of Trustees Meeting – February 14,
2024 Appendix A**

Consent Agenda | Table of Contents:

- 1) Meeting Minutes:
 - a. [November 14-15, 2023](#)
- 2) [FY24 Management Report \(As of November 30, 2023\)](#)
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Finance & Administration Committee (FAC), January 24, 2023, FY2024 Management Report

Period 5 YTD Actual to Actual Variance:

This report provides five months of actual revenue and expense activity (as of November 30, 2023) as compared to the same period in prior fiscal year.

Education & General Fund:

Revenues:

Tuition revenues are \$595K more than the prior year, reflecting partial Summer 2023 and Fall 2023 assessed tuition, due to a combination of tuition increases (3.1% for resident & WUE UG, 0% for nonresident UG and all GR) and an approximate 1.2% UG enrollment increase in Fall 2023 respective to the same term prior year. The modest enrollment increase also results in slight increases of online course fees (\$97K) and other fees (\$83K). Fee remissions have decreased \$79K from the prior year. Altogether, this results in net tuition and fees for Period 5 being \$854K more than the prior year.

Government resources & allocations have increased by \$1.740M from the prior year based on the state's increased funding to the Public University Support Fund (PUSF) for the 2023-25 biennium of \$1B. 49% of PUSF is distributed in year 1 (FY24) and the remaining 51% will be distributed in year 2 (FY25) and allocated among the public universities according to the Student Success and Completion Model (SSCM). The \$21.138M received so far reflects the first and second quarter distributions, as well as \$1.022M of sustainability funds.

Gift grants and contracts revenue has increased by \$39K from prior year. Other revenues have increased by \$294K from the prior year, primarily due to timing differences in lease income (\$128K in FY24).

Overall, total revenues are \$35.738M, \$2.927M more than the prior year.

Expenses:

Personnel expenses are \$234K more than the prior period and reflect variations in faculty/staff from the prior year. T/TT faculty received step increases, NTT faculty received a 1.7% COLA effective September 2023, unclassified staff received a 4% COLA effective July 1, 2023, and classified staff received step increases.

Services and supplies expenses are \$197K more than the prior year.

Overall, total expenses are \$23.795M, \$431K more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have increased by \$2.495M 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 increased by \$394K, due to a combination of increased enrollment, increase to the incidental fee (in FY23 the fee was \$372, with a reduced fee of \$200 for students not enrolled on the Monmouth campus; in FY24 this increased to \$415 and \$210, respectively), and increase to the health service fee (in FY23 the fee was \$154 mandatory for Monmouth-campus students only, in FY24 this increased to \$162, with a reduced fee of \$120 for students not enrolled on the Monmouth campus). Health Service Fee revenue is up \$221K and incidental fee revenue is up \$167K from the prior period. Sales and Services are up \$1.047M from the prior year, primarily in University Housing & Dining (\$860K), due to more students living on campus. Other Revenue decreased by \$308K, primarily in Housing due to decreased internal sales from Destination Western. Altogether, auxiliary revenue totals \$8.429M and has increased \$1.133M from the prior year.

Expenses:

Personnel expenses are \$85K more than the prior year. Service & Supplies are \$973K more than the prior year, primarily in Housing/Dining (\$383K) and Athletics (\$378K). Altogether, auxiliary expenses total \$9.454M, an increase of \$1.059M from the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$1.024M and have increased by \$74K 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 November 30th, the clearing fund reflects temporary revenue and expense balances, these balances can cause misleading comparisons as a result.

Revenues are comparable to prior year, down \$168K. Expenses are up \$232K from the prior year, for a net difference from prior year of \$400K.

FY24 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 five months of operations and projections for the remaining seven months of FY24. Projections for periods six through twelve are based on the actual FY23 realization/burn rates for period five, which are applied to FY24 revenues and expenses.

Education & General Fund:

Revenues:

Total revenues are projected to be \$72.292M, \$1.384M more than the FY24 adjusted budget. Altogether, net student fees & tuition are projected to be \$257K more than the adjusted budget, primarily due to increased fee assessments. Gifts, grants, and contracts are projected at \$2.842M, \$648K higher than the FY24 adjusted budget, primarily because of increased grant indirect activity. Other revenues are projected to be \$3.156M, \$556K more than the FY24 adjusted budgeted amount.

Expenses:

Total expenses are projected to be \$67.838M, \$1.980M less than the FY24 adjusted budget. Personnel is projected to be \$56.946M, \$951K less than the budget due to salvage savings from vacant positions; \$1.357M of salvage savings were incorporated into the FY24 adjusted budget. Service and supplies are projected to be \$10.892M, \$1.029M less than the FY24 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.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$652K versus the FY24 adjusted budget of a loss of \$4.015M. This difference is primarily due to a combination of higher projected grant indirects and other revenues, as well as lower projected personnel and service and supplies expenses. Projected year-end fund balance is \$13.373M, or 18.50% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$22.653M, \$2.784M more than the FY24 adjusted budget. Enrollment fees are projected to be \$6.190M, \$588K more than the budget,

primarily due to increased enrollment resulting in increased fee revenue for incidental fee and health service. Sales and services are projected to be \$14.321M, \$2.214M more than budgeted, primarily due to the increase of students living on campus. Other revenues are projected to be \$2.142M, \$18K less than the FY24 adjusted budget.

Expenses:

Total expenses are projected to be \$26.192M, \$3.029M more than the budget. Personnel is projected to be \$10.773M, \$68K more than the adjusted budget. Service and supplies are projected to be \$15.419M, \$2.960M more than the adjusted FY24 budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$204K compared to the FY24 adjusted budget of \$40K. This results in a projected year end fund balance of \$3.266M.

Designated Operations, Service Departments, Clearing Funds:

Revenues:

Total revenues are projected to be \$1.832M, \$434K less than budget.

Expenses:

Total expenses are projected to be \$2.881M, \$615K over the budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$1.049M compared to the FY24 net zero budget.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY24 Projected Year-End Report and the overall Management Report as of November 30, 2023.

Western Oregon University
P5 YTD Actual to Actual Variance

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

As of November 30, 2023
For the Fiscal Year Ended June 30, 2024

	P5 FY23 Actuals	P5 FY23 Realization/ Burn Rate %	P5 FY24 Actuals	P5 FY24 % of Budget	Variance		Note
					Actuals	%	
Education & General Fund							
Revenues							
Tuition	11,763		12,358		595		
Online Course Fees	1,239		1,335		97		
Other Fees	686		769		83		
Less: Fee Remissions	(1,702)		(1,623)		79		
Net Student Fees & Tuition	11,986	38.79%	12,840	41.08%	854	2.29%	
Government Resources & Allocations	19,398	59.88%	21,138	60.64%	1,740	0.76%	FY24 includes \$1.022M of Sustainability funds
Gift Grants and Contracts	624	23.34%	663	30.23%	39	6.89%	
Other Revenue	803	26.40%	1,097	42.20%	294	15.80%	
Total Revenues	32,811	47.55%	35,738	50.40%	2,927	2.85%	
Expenses							
Personnel	19,037	34.23%	19,272	33.29%	(234)	-0.94%	
Service & Supplies	4,327	45.73%	4,524	37.95%	(197)	-7.78%	
Total Expenses	23,364	35.90%	23,795	34.08%	(431)	-1.82%	
Net Revenues less Expenses	9,447		11,943		2,495		

Western Oregon University
P5 YTD Actual to Actual Variance

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

As of November 30, 2023
For the Fiscal Year Ended June 30, 2024

	P5 FY23 Actuals	P5 FY23 Realization/ Burn Rate %	P5 FY24 Actuals	P5 FY24 % of Budget	Variance		Note
					Actuals	%	
Auxiliary Enterprises Funds							
Revenues							
Enrollment Fees	1,821	35.77%	2,214	39.52%	394	3.75%	
Sales and Services	3,927	34.74%	4,974	41.09%	1,047	6.35%	
Other Revenue	1,548	57.92%	1,240	57.44%	(308)	-0.48%	
Total Revenues	7,296	38.26%	8,429	42.42%	1,133	4.16%	
Expenses							
Personnel	4,251	40.25%	4,337	40.51%	(85)	0.26%	
Service & Supplies	4,143	33.18%	5,117	41.07%	(973)	7.88%	
Total Expenses	8,395	36.42%	9,454	40.81%	(1,059)	4.39%	
Net Revenues less Expenses	(1,098)		(1,024)		74		
Designated Operations, Service Departments, Clearing Funds							
Revenues							
Enrollment Fees	467	887.68%	506	1050.78%	39	163.10%	
Sales and Services	31	21.33%	34	27.16%	3	5.83%	
Other Revenue	832	38.50%	621	29.71%	(211)	-8.79%	
Total Revenues	1,330	56.36%	1,162	51.25%	(168)	-5.11%	
Expenses							
Personnel	308	35.43%	433	44.19%	(125)	8.76%	
Service & Supplies	503	36.78%	610	47.44%	(107)	10.66%	
Total Expenses	812	36.26%	1,043	46.04%	(232)	9.78%	
Net Revenues less Expenses	518		118		(400)		

Western Oregon University
 FY24 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of November 30, 2023
 For the Fiscal Year Ended June 30, 2024

	FY23 Year-End Actuals	FY24 Projected Year-End	FY24 Adjusted Budget	Variance FY24 Projected Year-End to Budget	Note
Education & General Fund					
Student Fees & Tuition (net of remissions)	30,898	31,512	31,255	257	
Government Resources & Allocations	32,394	34,782	34,859	(77)	Projection based on latest schedule from HECC
Gift Grants and Contracts	2,674	2,842	2,194	648	
Other Revenue	3,042	3,156	2,600	556	
Total Revenues	69,007	72,292	70,908	1,384	
Personnel	55,614	56,946	57,896	951	
Service & Supplies	9,462	10,892	11,921	1,029	
Total Expenses	65,076	67,838	69,818	1,980	
Net Transfers	5,088	5,105	5,105	-	Projection based on transfer schedule
Total Expenses and Transfers	70,164	72,943	74,923	1,980	
Net Revenues less Expenses	(1,156)	(652)	(4,015)	3,363	
Fund Balance at the Beginning of the Year	15,090	14,025	14,025		
Additions/Deductions to Fund Balance	92	-	-		
Fund Balance at the End of the Year	14,025	13,373	10,010		
Fund Balance as a Percentage of Revenues	20.32%	18.50%	14.12%		

Western Oregon University
 FY24 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of November 30, 2023
 For the Fiscal Year Ended June 30, 2024

	<u>FY23 Year-End Actuals</u>	<u>FY24 Projected Year-End</u>	<u>FY24 Adjusted Budget</u>	<u>Variance FY24 Projected Year-End to Budget</u>	<u>Note</u>
Auxiliary Enterprises Funds					
Enrollment Fees	5,090	6,190	5,602	588	
Sales and Services	11,307	14,321	12,107	2,214	
Other Revenue	2,673	2,142	2,160	(18)	
Total Revenues	<u>19,070</u>	<u>22,653</u>	<u>19,869</u>	<u>2,784</u>	
Personnel	10,561	10,773	10,705	(68)	
Service & Supplies	12,486	15,419	12,459	(2,960)	
Total Expenses	<u>23,047</u>	<u>26,192</u>	<u>23,164</u>	<u>(3,029)</u>	
Net Transfers	(4,213)	(3,335)	(3,335)	-	Projection based on transfer schedule
Total Expenses and Transfers	<u>18,834</u>	<u>22,857</u>	<u>19,829</u>	<u>(3,029)</u>	
Net Revenues less Expenses	236	(204)	40	(244)	
Additions/Deductions to Fund Balance	(1,873)	(1,910)			
Fund Balance at the Beginning of the Year	<u>7,017</u>	<u>5,380</u>			
Fund Balance at the End of the Year	<u>5,380</u>	<u>3,266</u>			
Fund Balance as a Percentage of Revenues	28.21%	14.42%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	53	57	48	9	
Sales and Services	146	161	127	35	
Other Revenue	2,162	1,614	2,092	(478)	
Total Revenues	<u>2,360</u>	<u>1,832</u>	<u>2,266</u>	<u>(434)</u>	
Personnel	870	1,222	980	(242)	
Service & Supplies	1,368	1,659	1,287	(373)	
Total Expenses	<u>2,238</u>	<u>2,881</u>	<u>2,266</u>	<u>(615)</u>	
Net Transfers	(1)	-	-	-	Projection based on transfer schedule
Total Expenses and Transfers	<u>2,237</u>	<u>2,881</u>	<u>2,266</u>	<u>(615)</u>	
Net Revenues less Expenses	123	(1,049)	-	(1,049)	
Additions/Deductions to Fund Balance	(243)	(229)			
Fund Balance at the Beginning of the Year	<u>2,741</u>	<u>2,621</u>			
Fund Balance at the End of the Year	<u>2,621</u>	<u>1,343</u>			
Fund Balance as a Percentage of Revenues	111.06%	73.29%			



Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2023 Financial Statements Audit

[Western Oregon University's annual financial report](#) for the fiscal year ended June 30, 2023 was prepared by the University's staff.

The public accounting firm, Eide Bailly LLP ("Auditor"), has audited the financial report and has issued an unmodified opinion, i.e., in their opinion the financial statements present fairly, in all material respects, the financial position of the University.

COMMITTEE RECOMMENDATION:

The Western Oregon University Finance and Administration Committee at their January 24, 2024 meeting voted to recommend to the Board of Trustees to accept the University's fiscal year 2023 audit of financial statements.

Board of Trustees

345 Monmouth Ave. N. | Monmouth, OR 97361 | 503-838-8888 | wou.edu/board | board@wou.edu



Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2023 Single Audit

The public accounting firm, Eide Bailly LLP (“Auditor”), has performed testing of the University’s compliance with certain provisions of laws, regulations, contracts, and grant agreements. This testing resulted in a report on compliance for each major federal program, a report on internal control over compliance, and a report on expenditures of federal awards, as required by Uniform Guidance.

These reports and detailed findings are provided in the [Federal Awards Report in Accordance with Uniform Guidance](#), which communicates certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process.

The Auditor issued their opinion that the University complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of the University’s major federal programs.

COMMITTEE RECOMMENDATION:

The Western Oregon University Finance and Administration Committee at their January 24 meeting voted to recommend to the Board of Trustees to accept the University’s fiscal year 2023 Single Audit and Management’s proposed Corrective Action Plan.

Board of Trustees

345 Monmouth Ave. N. | Monmouth, OR 97361 | 503-838-8888 | wou.edu/board | board@wou.edu



Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2023 Financial Statements Highlights

Annual Financial Report (in thousands)

- Total Net Position decreased by \$830
 - Net Investment in Capital Assets decreased by \$547
 - Construction in progress - major additions:
 - Welcome Center improvements \$929
 - Student Success Center \$1,153
 - Steam Pipe \$210
 - Depreciation and amortization \$7,032
 - Payments on debt associated with capital assets \$3,147
 - Restricted Expendable Net Position increased by \$237
 - Unrestricted Net Position decreased by \$520
 - Decrease related to University operations \$1,558
 - Quasi-Endowment increased \$250
 - PERS changes in performance, census and estimated earnings resulted in a year-end accrual of the net pension liability which increased unrestricted net position \$832
 - OPEB changes in performance, census and estimated earnings resulted in a year-end accrual of the net OPEB liability which increased unrestricted net position \$241
- Statement of Revenues, Expenses, and Changes in Net Position
 - Operating Revenues increased \$7,861
 - Increase in grant activity \$9,231
 - Student Tuition and Fees decreased by \$1,328
 - Operating Expenses increased \$6,578
 - Increase in Compensation and Benefits \$5,559
 - Increase in Services and Supplies \$3,991
 - Decrease in Scholarships and Fellowships \$4,646 (FY22 included HEERF for Student)
 - Increase in Depreciation and Amortization Expense \$955
 - Non-operating Revenues decreased by \$1,957
 - State Appropriations increased \$1,137
 - Federal and State Grants and Contracts decreased \$12,235 (FY22 included HEERF for the University)
 - State-funded capital projects increased Capital Grants by \$6,541
- Statement of Cash Flows
 - Cash position decreased by \$5,690
 - Investments increased \$7,174 for a net increase of \$1,484

Board of Trustees

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
June 30, 2023

Prepared by Management of
Western Oregon University

Summary Schedule of Prior Audit Findings

Yellow Book

No Yellow Book findings.

Single Audit

Finding 2022-001

Federal Agency Name: Department of Education

Federal Financial Assistance Listing: 84.425E, 84.425F

Program Name: COVID-19: Higher Education Emergency Relief Student Aid Portion, COVID-19: Higher Education Emergency Relief Institutional Portion

Initial Fiscal Year Finding Occurred: 2020

Finding Summary: During the testing over the reporting for the HEERF student and institutional funds, the reports that were required to be filed during the fiscal year were not filed by the required timeframe.

Status: Resolved – this was not a repeat finding in the current period under audit.

Corrective Action Plan

Yellow Book

No yellow book findings noted in the current year.

Single Audit

Finding 2023-001

Federal Agency Name: U.S. Department of Education

Federal Financial Assistance Listing: 84.063, 84.007, 84.268, 84.033, 84.038, 84.379

Program Name: Student Financial Assistance Cluster

Finding Summary: During the testing of compliance for Enrollment Reporting, there were instances where the National Student Loan Data System (NLSDS) did not reflect accurate or timely reporting of a student's change in enrollment status. While records were submitted accurately and timely to the National Student Clearinghouse, those records were not reflected in NSLDS.

Responsible Individuals: Director of Financial Aid and University Registrar

Corrective Action Plan: The initial response to this request for data did not include the active and inactive enrollment levels for the requested sample students. Initially it appeared that there was a systems issue between the National Student Clearinghouse (NSC) and the National Student Loan Data System (NSLDS); however, upon further investigation and in conversation with NSLDS, the required information was found and subsequently provided to Eide Bailly on December 1, 2023. The resolution of this request for data was resolved but after the final audit report was submitted.

Anticipated Completion Date: Completed December 1, 2023

Finding 2023-001

Federal Agency Name: U.S. Department of Education

Federal Financial Assistance Listing: 84.063, 84.007, 84.268, 84.033, 84.038, 84.379

Program Name: Student Financial Assistance Cluster

Finding Summary: During testing over GLBA compliance, it was noted that the University had not updated the information security program and was missing aspects of the required nine elements.

Responsible Individuals: Director of Financial Aid (DFA) and Assistant Director of University Computing Solutions (AD UCS)

Corrective Action Plan: Management agrees with this finding. See the GLBA Draft Corrective Action Plan table below.

Anticipated Completion Date: See the attached GLBA Draft Corrective Action Plan table below:

GLBA documentation				
314.4 Reference	<u>What WOU will do</u>	<u>Complete by Date</u>	<u>Who will do it</u>	<u>Completion Date</u>
	Document full status of 314.4	4/1/24	AD UCS	
a	Complete			
b	Update our CIS18 controls - aka InfoSec Program	7/1/24	AD UCS	
b.2	Risk assessment for on-prem servers with FinAid* data	4/1/24	AD UCS, Lead Windows Admin, Warehouse Programmer	
c.1	Document current processes and access controls	4/1/24	AD UCS, DFA	
c.2	Document current information, including Business Office	12/20/23	Financial Aid Accountant	12/13/23
c.3	Encrypt NetApp volumes, and ensure encryption on DB links	8/1/24	AD UCS, Lead Windows Admin, Warehouse Programmer	
c.4	Assess warehouse & BannerRPT	7/1/24	AD UCS, Warehouse Programmer, Operating Systems/Security Analyst	
c.5	Complete			
c.6	Review PowerFAIDS electronic files for purging Review paper files for purging Have Business Office review files for purging	8/1/24	DFA	
c.7	Audit FinAid data access upon addition to Warehouse	8/1/24	Warehouse Programmer and/or Operating Systems/Security Analyst	
c.8	Add access logs to WOU central logging system	8/1/24	AD UCS, Web & Banner Programmer	
d.2.i	Annual pentest by Campus Guard	2/29/24	AD UCS	
e	Complete			
f	Document all 3rd party providers who interact with FinAid data. Audit yearly	8/1/24	DFA, AD UCS	
g	Complete			
h	Complete			
i	Verbal report given in 2023. Anticipated written report to Board on 7/1/24	7/1/24	AD UCS	



November 14, 2023

To the Board of Trustees
Western Oregon University
Monmouth, Oregon

We have audited the financial statements of Western Oregon University (the University) as of and for the year ended June 30, 2023, and have issued our report thereon dated November 14, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under Uniform Guidance

As communicated in our letter dated May 15, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the University complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the University's major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the University solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the University's major federal program compliance, is to express an opinion on the compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the University's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 14, 2023. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated November 14, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies used by the University are described in Note 1 to the financial statements. As described in Note 1, the University changed accounting policies related to accounting for right-to-use subscription assets to adopt the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

Collectability of receivables and student accounts are based on past history and current market conditions. We reviewed the underlying assumptions and past history to determine that the estimate appears reasonable.

The remaining obligation under the other postemployment benefit (OPEB) plans is based on actuarial estimates provided by Milliman and audited by independent auditors. We evaluated the key factors and assumptions used to develop the OPEB assets/(liabilities) in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability is based on actuarial estimates provided by the Oregon Public Employee Retirement System (OPERS). We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the University's financial statements relate to:

Note 13 – Employee Retirement Plans – This describes the details and assumptions of the Oregon Public Retirement System (OPERS) Plan and the related net pension liability.

Note 14 – Other Postemployment Benefits (OPEB) – This describes the details of the postemployment benefit plans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- To pass on an adjustment to capitalize bleachers. This resulted in the expenditures to be overstated and capital assets to be understated by \$553,011.
- To pass on an adjustment to correct grant revenue and grant accounts receivable for the adjustments that related to FY23 that were posted in FY24. This resulted in an overstatement of \$151,834 for grant revenue and grant accounts receivable.
- To pass on difference between the student accounts receivable detail and the general ledger. The difference is an overstatement in student accounts receivable and revenue of \$168,386.

The effect of the uncorrected misstatement, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2023, is an understatement of net income of approximately \$232,791 and an understatement of net position of \$232,791.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the University's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify and circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 14, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the University, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the University's auditors.

Other Matters

The financial statements include the financial statements of Western Oregon University Development Foundation (the Foundation), which we considered to be a significant component of the financial statements of the University. The financial statements of the Foundation were audited by other auditors, and we did not assume responsibility for the audit performed by the other auditors, rather we have referred to their audit in our report. Our decision to refer to the report of the other auditor is based our evaluation of the materiality of the Foundation with respect to the financial statements as a whole. Our audit procedures with respect to the Foundation included required correspondence with the other auditor, obtaining and reading their auditor's report and the related financial statements, and other procedures as considered necessary.

This report is intended solely for the information and use of the members of the Board of Trustees, State of Oregon, and management of the University and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Boise, Idaho