



**Board of Trustees Meeting – February 26 2025**

**Appendix A**

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**REGULAR MEETING OF THE WOU BOARD OF TRUSTEES MEETING  
NO. 64– November 19- 20, 2024**

**November 19, 2024  
3:00PM-5:00PM**

**Meeting Minutes**

**I. CALL-TO-MEETING / ROLL CALL**

Chair Fasana calls the meeting to order at 3pm on November 19, 2024 and asked Secretary Sorce to do a roll call.

The following Trustees are present: Board Chair Angela Fasana, Board Vice Chair Kari Nelsestuen, Trustee Evans, Trustee Hunter Hall, Trustee Paige Jackson, Trustee Leah Mitchel, Trustee Rey Perez, Trustee Viviana Romero, Trustee Dana Schowalter, Trustee Kate Schwarzler, Trustee Jim Vu, Trustee Mark Zook

The following Trustees were excused: Trustee Jerry Ambris, Trustee Juan Larios

The following staff are present: President Jesse Peters, Evan Sorce, Maggie Bartosovsky Maureen Brakke, Dr. Jose Coll, Michael Ellis, Tina Fuchs, Michael Gonzalez, Michael Green, Kella Helyer, Dr. Kristin Latham-Scott Randi Lydum, Tom Litterer, Brenda Rocio Martinez, Dr. Becka Morgan, Venu Nair, Desiree Noah, Dr. Steve Scheck, Dr. Judy Silva, Jackson Stalley, LouAnn Vickers, Rico Lujan Valerio, Katie Wojke,

**II. CHAIR'S WELCOME**

Chair Fasana starting everyone by welcoming to the beautiful campus and welcomed everyone to her ancestral homeland as a Member of the Confederated Tribe of the Grande Ronde. The tribe has inhabited the land since time immemorial and she emphasized that it is an honor to sit as Chair of the Board of Western Oregon University Board of Trustees. Chair Fasana also remember the audience that the meeting is lived stream and that there is one modification of the agenda that

**III. PRESIDENT'S WELCOME**

President Peters welcomed everyone to campus and celebrated the fact that after a long period of time, the fences are finally down on Monmouth Ave. Student Success Building is right at completion and move in date is early January. President Peters specifically thanked the Trustees for choosing to spend their time serving our campus community on the Board of Trustees.



**IV. STUDENTS AT THE CENTER: WOU Men's Soccer Coach, Michael Behonick and Team Members**

President Peters mentioned that the Men's Soccer team won the GNAC Conference this year in only their third year of existence and then introduced Western Oregon University Athletic Director Randi Lydum to introduce the players. AD Lydum mentioned that this fall was a fantastic season for WOU Athletics, led by the Men's Soccer team. Coach Behonick couldn't attend the board meeting because he and the rest of the team were heading to Denver to play the Tournament's first round. In addition, football, volleyball, and cross country also had wonderful seasons. AD Lydum then referred to the PowerPoint that could be found on page 6 of the docket. AD Lydum then handed it off to the players to introduce themselves.

Edgar David Landeros, Sammy Dreyer, and Nathan Martinez introduced themselves and shared their backgrounds, what led them to WOU and what has their experience as an athlete and a student been like at Western. Vice-Chair Nelsestuen asked the students about their fan base. The students answered that they were wonderful. Since they share a field, most of their games are at 1 pm on weekdays. Many families and friends support the team, but if there were night games or weekend games, it could be better. Other athletes come and support the team. Trustee Schowalter asked what the hardest part of balancing soccer life with student life is. They said schoolwork is hard to balance, but they have a lot of support from their coaches and professors. Trustee Vu asked the student-athletes what skills they are learning now that they think will help them when they are out in the workforce. They mentioned that Coach has emphasized that discipline, time management, responsibility, and hard work will make them successful professionally.

**V. STAKEHOLDER UPDATES**

**1) SHARED GOVERNANCE**

**a) ASWOU | Brenda Rocio Martinez**

ASWOU President Brenda Rocio Martinez gave her update to the Board of Trustees. She started by sharing that ASWOU is updated the process in which Student Members of the Board of Trustees are nominated. They are also working out and revisioning of ASWOU that includes a new website, new space for clubs and organizations as well as thinking about different ways to reach out to and engage students.

**b) Faculty Senate | Dr. Steve Scheck**

Dr. Steve Scheck, President of the Faculty Senate, gave the Faculty Senate



report which can be found on page nine of the docket.

c) Staff Senate | Alexis Morrison

Alexis Morrison, President of the Staff Senate, gave the Staff Senate report which can be found on page 10 of the docket.

2) **UNION**

a) SEIU | Jackson Stalley

Jackson Stalley, President of the WOU082 Union, and Michael Gonzalez, a member of WOU082, spoke on behalf of the classified staff union. Mr. Stalley started by mentioning that he appreciated coffee events like the Coffee with the Trustee events and thought they were important in breaking down real and imaginary barriers to communication. Mr. Stalley emphasized that although there are still challenges, he appreciated that the leadership team has worked on some long and persistent problems and developed systems to address them. Mr. Stalley also emphasized that WOU 082 is eagerly awaiting the results of the Climate Survey and looks forward to hearing how the administration plans to address the survey results. Mr. Stalley then handed it off to Michael Gonzalez, who talked about different opportunities for staff to build community, including a monthly breakfast and a staff recognition Men's basketball game on December 17th.

b) WOUFT | Dr. Melanie Landon-Hayes

Dr. Melanie Landon-Hayes is at a conference and therefore could not present to the Board. WOUFT's report is in the docket on page 12 for preview.

**VI. CYBER SECURITY PRESENTATION**

- 1) Public Presentation – Tom Litterer - Director of University Computing Solutions & Michael Ellis – Chief Information Security Officer and Assistant Director of University Computing Solutions.

Chair Fasana introduced Tom Litterer, Director of University Computing Solution, and Michael Ellis- Chief Information Security Officer and Assistant Director of University Computing Solutions, to present their report, which can be found on page 15 of the docket for review. After the presentation, Trustee Hall asked if multifactor authentication is required for student workers. The answer is currently no. The goal is to move to a place where student employees are evaluated by their work scope to determine if they need to use multifactor authentication. Trustee Zook asked about regulatory pressures. Mr. Ellis answered that the external auditors look for GLBA compliance, and there are potentially severe consequences if these standards are not met, including the potential loss of federal financial aid funds. Hence, the university takes that compliance quite seriously.



2) Executive Session

Following the public part of the Cyber Security Presentation, the Western Oregon University Board of Trustees will meet in executive session to consider matters relating to cyber security infrastructure and responses to cyber security threats pursuant to ORS 192.660(2)(p). Representatives of institutionalized news media are permitted to attend under ORS 192.660(4) on the condition that matters discussed in the executive session remain undisclosed. Pursuant to ORS 192.660(6), no final action may be, or will be, taken in executive session. The following staff were asked to attend the executive session Michael Ellis, Tom Litterer, Michael Green, Nathan Sauer, Venu Nair, LouAnn Vickers, Evan Sorce, Tina Fuchs, Maureen Brakke, Desiree Noah, Randi Lydum, Dominique Vargas, Katie Wojke, Dr. Jose Coll, Ricardo Lujan Valerio

**VII. RECESS**

Chair Fasana recessed the meeting until Wednesday November 20 at 10am.

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**November 20, 2024**

**CAMPUS COFFEE CHAT  
9:00-9:45AM**

**WERNER UNIVERSITY CENTER | FIRST FLOOR, ACROSS FROM THE FREEDOM  
CENTER**

**PUBLIC MEETING 10:00AM-3:00PM  
WERNER UNIVERSITY CENTER | COLUMBIA ROOM**

**I. CALL-TO-MEETING / ROLL CALL**

Vice Chair Kari Nelsestuen called the meeting to order at 10:02am on Wednesday November 20, 2024 and asked Secretary Sorce to do a Roll Call

The Following Trustees were Present: Chair Angela Fasana (Arrived at noon) Vice Chair Kari Nelsestuen, Trustee Jerry Ambris, Trustee Gale Evans, Trustee Page Jackson, Trustee Betty Komp, Trustee Juan Larios, Trustee Ray Perez, Trustee Viviana Romero, Trustee Dana Schowalter, Trustee Kate Schwarzler, Trustee Jim Vu

The Following Trustees were Excused: Chair Fasana, Trustee Hunter Hall, Trustee Mark Zook

The following staff are present: President Jesse Peters, Evan Sorce, Maureen Brakke, Dr. Jose Coll, Michael Ellis, Breeann Flesch, Tina Fuchs, Dr. Mark Girod, Michael Green, Kella Helyer, Dr. Kristin Latham-Scott Randi Lydum, Cameron Mortensen, Venu Nair, Desiree Noah, Dr. Judy Silva, Jackson Stalley, LouAnn Vickers, Rico Lujan Valerio, Katie Wojke,

**II. CHAIR'S WELCOME**

Understanding that there is a large number of new Trustees, Vice Chair Nelsestuen asked to go around the table and introduce themselves and mention how they are connected to WOU and a one-word superpower that you have. Each board member shared and then Vice Chair Nelsestuen added that Chair Fasana had a pre-scheduled event and will be back to Chair the meeting as soon as she can.

Vice-Chair Nelsestuen spent some time sharing that she spent time on WOU's website and mentioned a couple updates she found particularly interested including some grants that the university has received as well as recent events. She mentioned at the top of the website the three words "WE GOT YOU" and



that the meeting yesterday was all about those three words from the soccer players sharing their experience, to the stakeholder updates, and the cybersecurity presentation.

Lastly Vice-Chair Nelsestuen reminded the board and audience that the meeting is being live streamed and that there will be two public comment periods near the beginning of the meeting and near the end of the meeting. The sign up sheet to testify in person is on the front table near the door.

**III. CONSET AGENDA**

- 1) Meeting Minutes:
  - a) **April 16-17, 2024 Meeting Minutes**
  - b) **June 11-12, 2024 Meeting Minutes**
  - c) **August 9, 2024 Meeting Minutes**

**2) FY25 Management Report (As of September 30, 2024)**

Trustee Romero moved and Trustee Mitchell seconds to approve the consent agenda as listed in the docket. There was no additional discussion.

Roll Call Vote on the motion:

Vice Chair Nelsestuen:	Aye
Trustee Ambris:	Aye
Trustee Evans	Aye
Trustee Komp:	Aye
Trustee Jackson	Aye
Trustee Larios:	Aye
Trustee Mitchell	Aye
Trustee Perez	Aye
Trustee Romero	Aye
Trustee Schowalter	Aye
Trustee Schwarzler	Aye:
Trustee Vu	Aye

Motion Passes 12-0-0

**IV. FIRST PUBLIC COMMENT**

No public comment was given at this time.

**V. STAKEHOLDER UPDATES**

- 1) **WOU FOUNDATION REPORT** | Katie Wojke, Vice President for Advancement



Katie Wojke presented her report, which can be found on page 57 in Appendix B of the Docket for review. President Peters mentioned how Katie was instrumental to two new brewery partnerships who local breweries (Parallel 45 and Xicha) both have made WOU beers which part of the proceeds going to scholarships to support WOU students. Additionally, Trustee Evans expressed her appreciation to Katie and her team for the progress they have made in fundraising and towards the Capital Campaign goal.

**2) LEGISLATIVE REPORT | Ricardo “Rico” Lujan Valerio, Director of Government Relations**

Ricardo Lujan Valerio presented his Legislative report to the Board of Trustees. His report can be found on page 12 of Appendix B in the docket for Review, and in addition to his report, Mr. Lujan Valerio added that since the recent election, the Democrats now have a supermajority in the Senate and likely one in the House. This means that Democrats have complete control of the agenda in the Legislature. This potentially has an impact on how higher education is funded. The most recent revenue forecast showed a pretty rosy outcome with an additional \$2 billion in revenue. This could alleviate some of the concerns the Governor’s office and legislators had. The forecast was promising, but more to come. Vice Chair Nelsestuen asked how the Board could be helpful in the upcoming session. Mr. Lujan Valerio mentioned they will plan a lobby day in late April or early May. Would love the Board to participate on that day actively.

**VI. PRESIDENT’S REPORT | President Jesse Peters**

President Jesse Peters presented his report, which can be found on page 25 of the docket for review. Trustee Romero asked President Peters if there is a plan to reduce the number of online classes because, as a student, they are frustrated that some of their required classes are online, and the online fee creates an additional cost that could be a barrier. President Peters thanked Trustee Romero for the perspective and said that the Provost and the President are working on a plan to rethink the number of online classes offered and how online classes are offered at WOU.

**VII. BREAK**

At 11:33am, Vice Chair Nelsestuen gaveled the meeting into recessed for thirty minutes to allow the Board members to take a break and get lunch before the meeting is reconvened for the showcase presentation.

**Please Note: at Noon Chair Fasana arrived.**

At 12:05 Chair Fasana gaveled the board back into session. Chair Fasana gave gratitude to catering for preparing the delicious meal as well as everyone who works behind the scenes to make the board meetings flow so smoothly.





**VIII. LUNCH / SHOWCASE PRESENTATION: Facilities & Capital Construction**

Update: Presenters Include:

- 1) Rebecca Chiles – Assistant Vice President for Safety & Operations
- 2) Jason Krawczyk – Director of Capital Planning & Construction

Chair Fasana introduced Jason Krawczyk, Director of Capital Planning and Construction, and Rebecca Chiles, Assistant Vice President for Safety and Operations. Their report is on page 41 of the docket.

Director Krawczyk presented first, and there were no questions after his presentation. Assistant Vice President Chiles presented on behalf of Facilities and Public Safety. Trustee Romero asked if there is a plan to replant trees to replace the ones removed as part of the steam pipeline project. Assistant Vice President Chiles responded that for every tree cut down, there is a plan to replant, but that facilities would love to hear from students about where they would want to see a tree planted and what kind of trees they want to see on campus. Trustee Perez asked if facilities use a software system to remind the team of needed maintenance and replacement of equipment across campus. The Assistant Vice President responded that there is a software system that reminds and informs staff of required maintenance as well as a central database for work orders, etc.

**IX. FINANCE & ADMINISTRATION COMMITTEE (FAC)**

- 1) Committee Chair Report | Trustee Gayle Evans

Trustee Evans gave the Finance and Administration Committee Report. The Finance and Administration Committee met for three hours on November 5th. Welcomed many new members of the committee. Trustee Evans thanked Interim VP for Finance and Administration Mike Green for his willingness to join the university in an interim role and help make some critical improvements. Trustee Evans also expressed her sincere appreciation to Director of Budget and Planning Camarie Moreno for her years of guidance and support of the committee and for stepping up when Ana Karaman had to step away. Lastly, she expressed appreciation to Darrin Silbernagel, who came out of retirement for a second time to help support the university during this transition. During the November 5th meeting, the committee approved the management report that is in the docket in the consent agenda. The committee also heard updates from the University Budget Advisory Committee and the University Technology Advisory Committee and an update from the Finance and Administration team. The big lift was to move the FY 25 Adjusted Budget to the board for consideration.

- 2) Committee Recommendations for Board Discussion/Action
  - a. Approval of FY 2025 Adjusted Budget



Trustee Evans asked Interim Vice President for Finance and Administration Mike Green and Director of Budget and Planning Camarie Moreno to present the FY 2025 Adjusted Budget. The budget can be found on page 66 of the docket for review. After the presentation, Chair Fasana asked Trustees if there were any questions. Trustee Komp asked about how bargaining went with the faculty. President Peters said he wished Dr. Landon-Hayes could attend the meeting because she would probably have loved sharing how she thought the process went. Both sides mutually agreed on using interest-based bargaining. People engaged in a way that promoted good conversation, and both sides reached an agreement that was ratified by the union. Trustee Komp appreciated both sides working together and found a path to agreement without too much delay. Trustee Ambris asked what the best practice of the fund balance as a percentage of revenue is. The board has a policy to keep that percentage between 5 and 15 percent, with a target of 10 to 12 percent. The proposed adjusted budget is slightly about that 12 percent target. Trustee Vu asked where the 10 to 12 percent fund balance is compared to other universities. Acting VPFA Green said that 10 to 12 percent is pretty on track of with the universities across the state of Oregon. Trustee Jackson asked what the logic was around cutting the fee remissions budget. Interim VPFA Green said they looked at the budget actuals for the last few years and reduced the budget to be closer to what the university typically spends in these remissions.

Trustee Evans moves and Trustee Vu seconded that the Western Oregon University Board of Trustees approves the FY 25 Adjusted Budget as presented in the budget.

Roll Call for the Proposed Motion:

Board Chair Fasana:	Aye
Vice Chair Nelsestuen:	Aye
Trustee Ambris:	Aye
Trustee Evans	Aye
Trustee Komp:	Aye
Trustee Jackson	Aye
Trustee Larios:	Aye
Trustee Mitchell	Aye
Trustee Perez	Aye
Trustee Romero	Aye
Trustee Schowalter	Aye
Trustee Schwarzler	Aye:
Trustee Vu	Aye

**X. ACADEMIC & STUDENT AFFAIRS COMMITTEE (ASAC)**



1) Committee Chair Report | Trustee Leah Mitchell

Trustee Mitchell gave an update on the last Academic & Student Affairs Committee, which was held on November 18, 2024. The committee heard an informative update from Athletic Director Lydum regarding athletics. They talked about how athletics has been a part of the campus that has grown in athletics. The committee also discussed the strategic plans for Athletics, Academic Affairs, and Student Affairs. This information can be reviewed by looking at the November 18, 2024, Academic and Student Affairs Committee meeting. It was clear to Trustee Mitchell that we have excellent leadership on this campus who have put a lot of time and effort into this process.

**XI. DIVERSITY, EQUITY, INCLUSION, & ACCESSIBILITY COMMITTEE (DEIAC)**

1) Committee Chair Report | Trustee Jerry Ambris

Trustee Ambris mentioned a bit of what happened at the October 17 DEIAC and then introduced Executive Director of the Office of Diversity, Equity, Inclusion, Dominique Vargas to speak give an Equity Assessment update.

2) Committee Recommendations for Board Discussion/Action

- a. Equity Assessment Update | Office of Diversity Equity Inclusion  
Executive Director Dominique Vargas

Executive Director Vargas gave her update, which can be found on page 72 of the docket for review. After Executive Director Vargas' presentation, Trustee Ambris thanked her for her hard work and leadership through this process and expressed excitement for Dr. Jordan Shelby West's presentation in late January.

**XII. EXECUTIVE, GOVERNANCE & TRUSTEESHIP COMMITTEE (EGTC)**

1) Committee Chair Report | Board Chair Angela Fasana

Chair Fasana gave the Committee Chair Report. The Executive, Governance, and Trusteeship Committee (EGTC) met on October 28, 2024. During the meeting, the committee received an update from the Internal Audit Team. Additionally, the committee debriefed the Board Retreat among themselves and then with Dr. Ellen Chaffe, the Associated Governing Boards Consultant we used for the retreat. Lastly, the committee had a robust conversation about goal setting for the 2024-2025 Academic year. The committee asked Secretary Sorce to work with senior leadership to create a framework template that ties in with the strategic plan for goal-setting conversations in each committee.

**XIII. SECOND PUBLIC COMMENT**

No public comment was given at this time.



**XIV. ANNOUNCEMENT/COMMENTS**

Please RSVP to President's Club Dinner or the Winter Reception if you are planning on attending the events.

**XV. ADJOURNMENT**

Chair Fasana adjourns the meeting at 2pm



**SPECIAL MEETING OF THE WOU BOARD OF TRUSTEES**  
**MEETING NO. 66 – December 13, 2025**  
**1:00PM-2:00PM**

**Draft Meeting Minutes**

**I. CALL-TO-MEETING / ROLL CALL**

Chair Fasana called the Special Meeting of the Western Oregon University Board of Trustees to order at 1:00pm on December 13, 2024 and asked Secretary Sorce to call the roll.

The following Trustees are present: Chair Angela Fasana, Vice Chair Nelsestuen, Trustee Jerry Ambris, Trustee Gayle Evans, Trustee Hunter Hall, Trustee Paige Jackson, Trustee Rey Perez, Trustee Viviana Romero, Trustee Kate Schwarzler, Trustee Dana Showalter, Trustee Jim Vu

The following Trustees were excused: Trustee Betty Komp, Trustee Juan Larios, Trustee Leah Mitchell,

The following staff are present: Secretary Evan Sorce, Interim Vice President of Finance Administration Michael Green, Director of Budget & Planning, Camarie Moreno, and Executive Director/ Treasury Management Service Director Penny Burgess,

**II. CHAIR'S WELCOME**

Chair Fasana welcomed everyone to the December 13<sup>th</sup> meeting and wished the campus community a happy last day of the Fall Term and a Happy Holidays. Chair Fasana reminded the board that there will be no public comment allowed in this meeting because this was a special meeting to address a couple items of business that couldn't wait until February.

**III. ACTION ITEM**

**1) [Proposed Change of Investment of Quasi-Endowment Fund](#)**

Chair Fasana introduced Mike Green, interim vice president for finance and administration (VPFA), and Penny Burgess, executive director, and Treasury management service director at USSE. Their report can be found on page two of the Docket. Interim VPFA Green explained that the Board created the Quasi-Endowment fund in 2018. The fund is invested in two funds, with about 55% in a global equity index strategy and about 40% in an actively managed fixed-income fund. The focus of this action item was the fixed income allocation, which was currently invested in the Western Asset Core Plus Bond Fund. The fund had underperformed its benchmark



returns and was recently placed on a watch list by the Oregon State Treasurer. In addition to those factors, news of an SEC investigation and fraud charges against an investment officer of Western Asset, the need to take action has been accelerated. As a result, staff recommended that the Western Oregon University Board of Trustees approve the Western Asset Corps Plus Fund investment sale and hold the proceeds in cash until a suitable replacement is identified. Vice Chair Nelsestuen asked about the time frame for finding a new fund. Interim VPFA Green responded that they anticipate coming to the Finance and Administration Committee with a recommendation soon. There was a robust discussion, including details and the potential to seek legal action depending on the case.

Trustee Vu moves, and Trustee Ambris seconded that the Board of Trustees authorize staff to sell the Western Asset Core Plus Fund investment and hold the proceeds in cash until the Board has identified a suitable alternative investment. There was no additional discussion.

### **Roll Call on the approval of the motion**

<b>Chair Fasana:</b>	Aye
<b>Vice Chair Nelsestuen:</b>	Aye
<b>Trustee Ambris:</b>	Aye
<b>Trustee Evans:</b>	Aye
<b>Trustee Hall:</b>	Aye
<b>Trustee Jackson:</b>	Aye
<b>Trustee Perez:</b>	Aye
<b>Trustee Romero:</b>	Aye
<b>Trustee Schwarzler:</b>	Aye
<b>Trustee Schowalter:</b>	Aye
<b>Trustee Vu:</b>	Aye

Motion Passes 11-0-0

### **2) [Approval of Changes to the Board Statement on the Investment of Quasi-Endowment Funds:](#)**

Chair Fasana asked Interim Vice President for Finance Administration Mike Green to lead the conversation for this agenda item. Interim VPFA Green walked through the proposal, which can be found on page three of the docket. Chair Fasana and Vice Chair Nelsestuen both expressed concerns about the need for an emergency policy change, suggesting that the proposal should be vetted through the Finance Committee before being brought back to the Board. There was additional discussion around process. Trustee Romero moved that the Western Oregon University Board of Trustees tables the changes to the Board Statement on the Investment of Quasi-



Endowment Funds as included in the docket material until a future board meeting

**Roll Call on the approval of the motion**

<b>Chair Fasana:</b>	Aye
<b>Vice Chair Nelsestuen:</b>	Aye
<b>Trustee Ambris:</b>	Aye
<b>Trustee Evans:</b>	Aye
<b>Trustee Hall:</b>	Aye
<b>Trustee Jackson:</b>	Aye
<b>Trustee Perez:</b>	Aye
<b>Trustee Romero:</b>	Aye
<b>Trustee Schwarzler:</b>	Aye
<b>Trustee Schowalter:</b>	Aye
<b>Trustee Vu:</b>	Aye

Motion Passes 11-0-0

**IV. ADJOURNMENT**

Chair Fasana adjourned the meeting at 1:27pm.

## Finance & Administration Committee (FAC), December 31, 2024, FY2025 Management Report

### Period 6 YTD Actual to Actual Variance:

This report provides six months of actual revenue and expense activity (as of December 31, 2024) as compared to the same period in prior fiscal year.

#### Education & General Fund:

##### Revenues:

In FY25, winter term tuition, fees, and remissions were assessed in P6, and therefore reflected in the totals shown. However, in FY24, tuition, fees, and remissions were not assessed until P7. To provide a more accurate comparison (fall 2024 and winter 2025 term totals compared to fall 2023 and winter 2024 totals), the narrative below compares FY25 P6 tuition, fee, and remission totals to FY24 P7. Please note as a result, this comparison will not capture the typical adds/drops that happen at the beginning of the term (as they will be reflected in the FY24 P7 actuals, but not FY25 P6).

Tuition revenues are an ~\$1.122M increase. The increase is due to a combination of tuition increases (5% across all categories), the first cohort of 17 Occupational Therapy students (which totals \$296K for Fall and Winter term tuition), and changes in enrollment. Fall 2024 was a decrease of 3.0% UG FTE and 3.1% GR FTE (excluding OTD) from Fall 2023; Winter 2024 was a decrease of 3.6% UG FTE and an increase of 8.5% GR FTE (excluding OTD) from Winter 2023.

Online course fees are effectively a decrease of \$218K, as a result of the enrollment decrease as well as online course fee offerings decreasing. Other fees have effectively decreased \$291K. Fee remissions have an effective increase of \$181K. Altogether, this results in net tuition and fees for FY25 Period 6 being \$432K more than FY24 Period 7.

Government resources & allocations have decreased by \$250K from the prior year, however FY24 includes \$1.022M of sustainability funds. Accounting for this, state appropriations have increased by \$772K. The Public University Support Fund (PUSF) for the 2023-25 biennium was funded at \$1B. 49% of PUSF is distributed in year 1 (FY24) and the remaining 51% is distributed in year 2 (FY25) and allocated among the public universities according to the Student Success and Completion Model (SSCM).

Gift grants and contracts revenue has increased by \$84K from prior year. Other revenues have decreased by \$147K from the prior year.

Overall, total revenues are \$46.142M, ~\$1.140M more than the prior year, when accounting for FY24 Winter term tuition and Sustainability funds.

##### Expenses:

Personnel expenses are \$1.763M more than the prior period and reflect variations in faculty/staff from the prior year. Faculty received an ~4.09% COLA (varies by individual).



Unclassified staff received a 3.25% COLA effective November 1, 2024. Classified staff received a 6.5% COLA effective April 1, 2024, a 2% COLA effective November 1, 2024, and are set to receive a 3.5% COLA effective June 1, 2025, as well as individual step increases.

Services and supplies expenses are \$646K less than the prior year. FY24 P6's actuals include many large expenditures we do not anticipate in FY25 (such as anatomage tables for OT, student meals for Destination Western, USSE payroll services), however there are several large expenditures that we did not have in FY24 that we are anticipating in the next few months in FY25.

Overall, total expenses are \$30.780M, \$1.117M more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have effectively increased by \$23K 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 effectively decreased by \$109K. Although enrollment has declined ~2.5% from Fall 2023 to Fall 2024, and ~1.8% from Winter 2024 to Winter 2025, the decrease is offset by an increase in the health service fee from \$162 to \$175 per term (or for students not enrolled on the Monmouth campus, \$120 to \$130). The incidental fee remained flat (\$415 or \$210 for students not enrolled on the Monmouth campus).

Accounting for the difference of timing in winter term assessment, Health Service Fee revenue is up \$44K and incidental fee revenue is down \$116K from the prior year. Sales and Services are down \$1.094M from the prior year, however dining earned revenue has yet to be allocated in FY25. Other Revenue remains consistent across all auxiliaries. Altogether, auxiliary revenue totals \$9.791M, but due to the timing differences mentioned above, there is not a good comparison to last year.

Expenses:

Personnel expenses are \$365K more than the prior year, primarily in Housing/Dining (\$111K), IFC-areas (\$69K), and Athletics (\$94K). Service & Supplies are \$787K more than the prior year, decreases in Housing/Dining (\$283K) and Bookstore (\$150K) are offset by increases in IFC-areas (\$267K) and Athletics (\$917K). However, \$450K of the increase in athletics relates to timing difference of winter term student aid, making it an effective \$467K increase from last year. Altogether, auxiliary expenses total \$12.016M, an increase of \$1.153M from the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$2.226M and have decreased by \$782K compared to prior year, however as noted above there are some significant timing discrepancies between the years.

#### 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 December 31<sup>st</sup>, 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 \$142K. Expenses are down \$267K from the prior year, for a net difference from prior year of \$125K.

#### FY25 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 FY25. Projections for periods seven through twelve are based on the actual FY24 realization/burn rates for period six, which are applied to FY25 revenues and expenses.

#### Education & General Fund:

##### Revenues:

Total revenues are projected to be \$73.770M, \$622K more than the FY25 adjusted budget. Altogether, net student fees & tuition are projected to be \$258K more than the adjusted budget. This is primarily a result of the adjusted budget assuming 6% attrition between fall and winter whereas actual attrition between fall and winter was 7.8% for UG and positive 0.4% for GR, and higher than expected online course fees.

Government resources and allocation are projected at \$34.877M, \$84K less than the adjusted budget as a result of the true-up. Gifts, grants, and contracts are projected at \$2.934M, \$334K more than the adjusted budget. Other revenues are projected to be \$3.014M, \$114K more than the adjusted budgeted amount.

##### Expenses:

Total expenses are projected to be \$70.874M, \$1.284M less than the FY25 adjusted budget. Personnel is projected to be \$60.762M, \$303K more than the budget; \$2.442M of faculty and staff salvage savings were incorporated into the FY25 adjusted budget. Service and supplies are projected to be \$10.112M, \$1.587 less than the adjusted budget, however service and supply spending patterns continue to be volatile and hard to predict.

##### Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. This includes a transfer out of \$5.775M to Athletics, compared to the budgeted \$5.2M.

**Net Revenues less Expenses and Transfers:**

Net revenues less expenses and transfers are projected to be a loss of \$3.300M versus the FY25 adjusted budget of a loss of \$4.608M. Projected year-end fund balance is \$10.454M, or 14.17% of projected revenues.

**Auxiliary Enterprises:**

**Revenues:**

Total revenues are projected to be \$21.239M, \$759K more than the adjusted budget. Enrollment fees are projected to be \$5.79M, \$125K less than the budget. Sales and services are projected to be \$12.511M, \$280K more than budgeted. Other revenues are projected to be \$2.938M, \$604K more than the adjusted budget.

**Expenses:**

Total expenses are projected to be \$25.224M, \$823K more than the budget. Personnel is projected to be \$11.708M, \$234K more than the adjusted budget. Service and supplies are projected to be \$13.516M, \$588K more than the adjusted budget.

**Net Revenues less Expenses and Transfers:**

Net revenues less expenses and transfers are projected to be a gain of \$92K compared to the FY25 adjusted budget loss of \$800K. This results in a projected year end fund balance of \$5.305M.

**Designated Operations, Service Departments, Clearing Funds:**

**Revenues:**

Total revenues are projected to be \$3.128M, \$862K more than the budget.

**Expenses:**

Total expenses are projected to be \$1.542M, \$724K less than the budget.

**Net Revenues less Expenses and Transfers:**

Net revenues less expenses and transfers are projected to be a gain of \$1.586M compared to the FY25 net zero budget.

**STAFF RECOMMENDATION:**

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY25 Projected Year-End Report and the overall Management Report as of December 31, 2024.



	(1,763)	0.04%
	646	-14.17%
	<u>(1,117)</u>	<u>-2.12%</u>
15,362	6,401	

**Western Oregon University As of December 31, 2024**  
**P6 YTD Actual to Actual Variance For the Fiscal Year**  
**Ended June 30, 2025**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

P6 FY24

**P6 FY24**  
**Realization/**  
**P6 FY25**  
**P6 FY25 %**  
**Variance**  
**Actuals**  
**Burn Rate %**  
**Actuals**  
**of Budget**  
**Actuals**  
**%**

**Auxiliary Enterprises Funds Revenues**

Enrollment Fees	2,572
Sales and Services	5,520
Other Revenue	1,327

**Total Revenues**

9,420	43.89%	9,791	47.81%	371	3.91%
-------	--------	-------	--------	-----	-------

**Expenses**

Personnel  
Service & Supplies  
**Total Expenses**

5,246	47.93%	5,611	48.91%	(365)	0.98%
5,618	40.95%	6,405	49.55%	(787)	8.60%
10,864	44.05%	12,016	49.25%	(1,153)	5.20%

**Net Revenues less Expenses**

(1,444)	(2,226)	(782)
---------	---------	-------

**Designated Operations, Service Departments, Revenues**

**Clearing Funds**

Enrollment Fees  
Sales and Services  
Other Revenue  
**Total Revenues**

543	1417.44%	22	45.67%	(521)	1371.77%
64	44.80%	71	56.05%	7	11.25%
719	36.75%	1,091	52.15%	371	15.40%
1,326	62.03%	1,184	52.23%	(142)	-9.80%

**Expenses**

Personnel  
Service & Supplies  
**Total Expenses**

515	53.81%	422	41.03%	93	-12.77%
644	62.02%	469	37.95%	174	-24.07%
1,159	58.08%	892	39.35%	267	-18.73%

**Net Revenues less Expenses**

167	292	125
-----	-----	-----

**Note**

FY24 Winter term fees (~\$1.5M) not assessed until P7

FY25 earned board not yet allocated

43.24%	3,964	67.01%	1,391	23.77%
43.37%	4,426	36.19%	(1,094)	-7.18%
47.69%	1,401	60.04%	74	12.35%

**Western Oregon University FY25  
Projected Year-End**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

**As of December 31, 2024  
For the Fiscal Year Ended June 30, 2025**

<u>13,754</u>	<u>10,454</u>
18.73%	14.17%

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**Western Oregon University FY25 Projected Year-End**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

Education & General Fund	Variance FY25 Projected Year-End to Budget		Note
Student Fees & Tuition (net of remissions)			
Government Resources & Allocations			
Gift Grants and Contracts			
Other Revenue			
<b>Total Revenues</b>		5,790	5,915
		12,511	12,231
Personnel		2,938	2,334
Service & Supplies		21,239	20,479
<b>Total Expenses</b>			
Net Transfers		11,708	11,474
<b>Total Expenses and Transfers</b>		13,516	12,927
		25,224	24,401
<b>Net Revenues less Expenses</b>		(4,077)	(3,122)
		21,147	21,279
<b>Fund Balance at the Beginning of the Year</b>			258
<b>Additions/Deductions to Fund Balance</b>			(84)
<b>Fund Balance at the End of the Year</b>			334
<b>Fund Balance as a Percentage of Revenues</b>			
<b>FY24 Year-End</b>			114
<b>FY25 Projected</b>			622
<b>FY25 Adjusted Budget</b>			(303)
<b>Actuals</b>			1,587
			1,284
			(597) Projection based on transfer
			3,128
			2,266
			785
			1,030
			757
			1,237
			1,542
			2,266
			-
			-
			1,542
			2,266
			687
<b>(266)</b>	<b>(3,300)</b>	<b>(4,608)</b>	<b>1,309</b>
14,025	13,754		
(5)	-		

FY24 Year-End	Actuals Auxiliary Enterprises Funds
Enrollment Fees	5,949
Sales and Services	12,728
Other Revenue	2,784
<b>Total Revenues</b>	<u>21,460</u>
Personnel	10,946
Service & Supplies	13,719
<b>Total Expenses</b>	<u>24,665</u>
Net Transfers	(6,801)
<b>Total Expenses and Transfers</b>	<u>17,863</u>
<b>Net Revenues less Expenses</b>	<b>3,597</b>
<b>Additions/Deductions to Fund Balance</b>	(1,898)
<b>Fund Balance at the Beginning of the Year</b>	5,383
<b>Fund Balance at the End of the Year</b>	7,082
<b>Fund Balance as a Percentage of Revenues</b>	33.00%

Designated Operations, Service Departments, Clearing Funds	
Enrollment Fees	38
Sales and Services	142
Other Revenue	1,958
<b>Total Revenues</b>	<u>2,138</u>
Personnel	958
Service & Supplies	1,038
<b>Total Expenses</b>	<u>1,996</u>
Net Transfers	(149)

<b>Total Expenses and Transfers</b>	1,847	<u>                    </u>	<u>                    </u>	862	Projection based on transfer schedule.
<b>Net Revenues less Expenses</b>		<b>291</b>	244		
<b>Additions/Deductions to Fund Balance</b>		(219)	480		
<b>Fund Balance at the Beginning of the Year</b>		2,621			
<b>Fund Balance at the End of the Year</b>		2,692			
<b>Fund Balance as a Percentage of Revenues</b>		125.93%			
		724		<u>                    </u>	
				-	
		<u>                    </u>		<u>                    </u>	
		724			
		<b>1,586</b>	-		<b>1,586</b>
		(249)			
		2,692			
<b>As of December 31, 2024 For the Fiscal</b>		<u>                    </u>	<u>                    </u>	<u>                    </u>	
<b>Year Ended June 30, 2025</b>		<u>                    </u>	<u>                    </u>	<u>                    </u>	<b>4,030</b>
		128.81%			

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<b>FY25 Projected Year-End</b>	<b>FY25 Adjusted Budget</b>	<b>Variance FY25 Projected Year-End to Budget</b>	<b>Note</b>
		(125)	
280			
604			
	<u>                    </u>		
	<u>                    </u>	759	Projection based on transfer schedule.
		(234)	
		(588)	
		<u>                    </u>	
		(823)	
		955	
<u>                    </u>			
<u>                    </u>	132		
<b>92</b>	<b>(800)</b>	<b>891</b>	
(1,868)			
7,082			
<u>5,305</u>			
24.98%			
2	48	(47)	
158	127	32	
2,968	2,092	877	

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**Western Oregon University Transfers Schedule - Projected FY25**

(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>Actual</b>	25,100									25,100
<b>Upcoming</b>	35,140									35,140
<b>Transfers Out E&amp;G</b>	(b)			(c)	(d)			(e)	(f)	
<b>Actual</b>	-			-	22,000			-	3,955	25,955
<b>Upcoming</b>	5,775,000			150,000	-			294,000	10,283	6,229,283
<b>Transfers In AUX</b>	(b)	(c)	(d)					(g)	(h)	
<b>Actual</b>	-	-	22,000					2,162	2,684	26,846
<b>Upcoming</b>	5,775,000	150,000	-					-	-	5,925,000
<b>Transfers Out AUX</b>	(a)								(h)	
<b>Actual</b>	25,100								-	25,100
<b>Upcoming</b>	35,140								1,814,917	1,850,057
<b>Transfers In DO, SD</b>										
<b>Actual</b>										-
<b>Upcoming</b>										-
<b>Transfers Out DO, SD</b>										
<b>Actual</b>										-
<b>Upcoming</b>										-

<b>Type</b>	<b>Description</b>
(a)	Parking support of public safety
(b)	Athletic operations support
(c)	Child Development Center support
(d)	Smith Fine Arts support
(e)	Small-Scale Energy Loan Program debt service
(f)	Miscellaneous (endowment matches, cost shares, etc.)
(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



**Finance & Administration Committee (FAC), Fiscal Year Ended June 30,  
2024 Financial Statements Audit**

[Western Oregon University's annual financial report](#) for the fiscal year ended June 30, 2024 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 recommended that the Board of Trustees to accept the University's fiscal year 2024 audit of financial statements.



**Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2024  
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 recommend to the Board of Trustees to accept the University’s fiscal year 2024 Single Audit and Management’s proposed Corrective Action Plan.

### **Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2024 Financial Statements Highlights**

Annual Financial Report (in thousands)

- Total Net Position increased by \$17,056
  - Net Investment in Capital Assets increased by \$17,585
    - Construction in progress - major additions:
      - Welcome Center improvements \$773
      - Student Success Center \$12,839
        - Steam Pipe \$5,436
      - WOU Salem – OTD \$1,601
    - Depreciation and amortization \$7,220
    - Payments on debt associated with capital assets \$2,571
  -

Restricted Expendable Net Position decreased by \$939

- Unrestricted Net Position increased by \$410
  - Increase related to University operations \$2,081
  - Quasi-Endowment decreased \$78
  - PERS changes in performance, census and estimated earnings resulted in a year-end accrual of the net pension liability which decreased unrestricted net position \$1,805
  - OPEB changes in performance, census and estimated earnings resulted in a year-end accrual of the net OPEB liability which increased unrestricted net position \$212
- Statement of Revenues, Expenses, and Changes in Net Position
  - Operating Revenues increased \$1,020
    - Increase in auxiliary activity \$1,536
    - Student Tuition and Fees increased by \$950
    - Decrease in other operating revenues by \$1,019

- Operating Expenses increased \$3,277
  - Increase in Compensation and Benefits \$3,841
  - Decrease in Services and Supplies \$852
  - Increase in Scholarships and Fellowships \$1,026
  - Increase in Depreciation and Amortization Expense \$190 □ Other Expenses decreased by \$928
  
- Non-operating Revenues increased by \$20,116
  - State Appropriations increased \$2,533
  - Federal and State Grants and Contracts increased \$2,319
  - State-funded capital projects increased Capital Grants by \$13,718
  
- Statement of Cash Flows ○ Cash position decreased by \$1,261
  - Investments increased \$473

• **Current Ratio**

The current ratio measures WOU’s liquidity serving as an indicator of the ability to meet current obligations. This simple calculation matches the institution’s short-term assets with liabilities expected to come due during the same period.

Generally accepted standards for this ratio indicate a 2:1 coverage as being desirable.

The numerator is total current assets; the denominator is total current liabilities. Both numbers come directly from the Statement of Net Position.

	<u>FY24</u>	<u>FY23</u>	<u>FY22</u>	<u>FY21</u>	<u>FY20</u>
<b>Current Ratio</b>	<b>1.045</b>	<b>1.083</b>	<b>1.643</b>	<b>1.851</b>	<b>1.883</b>

Management's Response to Auditor's Findings:  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan  
June 30, 2024

Prepared by Management of  
**Western Oregon University**

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Summary Schedule of Prior Audit Findings

Yellow Book: None

Reported

Single Audit:

**Finding:** 2023-001

**Federal Agency Name:** U.S. Department of Education

**Assistance Listing Number(s):** 84.007, 84.033, 84.038, 84.063, and 84.268.

**Program Name:** Student Financial Assistance Cluster

**Initial Fiscal Year Finding Occurred:** 2023

**Finding Summary:** 34 CFR 690.83(b)(2) and 34 CFR 685.309 states that Institutions are responsible for timely and accurate reporting of a student's enrollment status and changes in those enrollment statuses, whether they report directly or via a third-party servicer. When an Institution is made aware of a change in a student's enrollment status, the Institution has 60 days to update the change in enrollment status via NSLDS. During our testing of compliance for Enrollment Reporting, there were 16 instances out of 21 where NSLDS did not reflect accurate or timely reporting of a student's change in enrollment status. While records were submitted accurately and timely to the Clearinghouse, those records were not reflected in NSLDS.

**Status:** Finding 2023-001 was a repeat finding during the current fiscal year. See finding 2024-003.

**Finding:** 2023-002

**Federal Agency Name:** U.S. Department of Education

**Assistance Listing Number(s):** 84.007, 84.033, 84.038, 84.063, and 84.268.

**Program Name:** Student Financial Assistance Cluster

**Initial Fiscal Year Finding Occurred:** 2023

**Finding Summary:** 16 CFR Part 314, Institutions are required to develop, implement, and maintain a comprehensive information security program that is written in one or more readily



accessible parts. The regulations require that the written information security program to include nine elements for institutions with 5,000 or more customers. During our testing over GLBA compliance, we noted that the University had not updated their information security program since 2018 and that it was missing aspects of the required nine elements.

**Status:** Resolved.

Yellow Book:

**Finding:** 2024-001

**Finding Summary:** The internal control structure of the University should include procedures to ensure the trial balance provided for the audit is free from misstatement. A good system of internal controls requires management to have policies and procedures in place to allow for the accurate close of the fiscal year-end which includes reviewing all adjusting entries, closing entries, reconciliations and financial information. (1) During the current year audit, management discovered and brought to the auditor's attention, an error in balances that had previously been reported on for payroll benefits and taxes in the amount of \$1,330,279. (2) Subsequent to the issuance of the 2024 financial statements, an error was discovered by management and brought to the attention of the auditors resulting in a restatement and reissuance of the 2024 financial statements associated with current and noncurrent cash. Restricted cash in the amount of \$3,716,000 previously reported for fiscal year 2024 was incorrectly reported as a noncurrent asset, but should have been reported as a current asset. This resulted in the reissuance and restatement of the 2024 financial statements.

**Corrective Action Plan:** Management agrees with this finding. (1) Management has already begun updating policies and procedures which will allow for the accurate close of the fiscal year-end and to incorporate reconciliation of payroll liability funds by the Payroll Compliance Analyst. The timing of the reconciliation will correspond to the payments (monthly or quarterly). The Payroll Manager will approve all reconciliation. Additionally, the creation of a shared reconciliation file between the Human Resources Department and the Controller Office will ensure accuracy of ongoing balances as well as the close of the fiscal year-end. Annually, the Human Resources and the Controller Office staff will review the composite health - other payroll expense rate and adjust as necessary. (2) As part of the preparation of the annual financial statements, the Controller's Office will review the restrictions and timing of future expected payments for amounts being disclosed as restricted cash. This will ensure the appropriate classification of current or noncurrent asset on the Statement of Net Position.

**Responsible Individuals:** (1) Desiree Noah, Executive Director of Human Resources, and (1) & (2) Shadron Lehman, Controller

**Anticipated Completion Date:** (1) May 30, 2025 and (2) June 30, 2025

Single Audit:

**Finding:** 2024-002

**Federal Agency Name:** U.S. Department of Education

**Assistance Listing Number(s):** 84.007, 84.033, 84.038, 84.063, and 84.268.

**Program Name:** Student Financial Assistance Cluster

**Finding Summary:** Each month, the Common Origination and Disbursement (COD) system provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the institution) Loan Detail records. The institution is required to reconcile these files to the institution's financial records. As a result of implementing a new Student Information System, the SAS reconciliations were not completed during the current year.

**Responsible Individuals:** Kella Helyer, Director of Financial Aid

**Corrective Action Plan:** Management agrees with this finding. Compliance on this finding was resolved by the end of the award year with reconciliation being completed by the end of June 2024. Financial aid implemented a new Financial Aid Management System (FAMS) starting with the 2023-24 year which caused delays in processes; however, the office is caught up with reconciliations, and going forward this compliance area is not an issue.

**Anticipated Completion Date:** Completed June 2024

**Finding:** 2024-003

**Federal Agency Name:** U.S. Department of Education

**Assistance Listing Number(s):** 84.007, 84.033, 84.038, 84.063, and 84.268.

**Program Name:** Student Financial Assistance Cluster

**Finding Summary:** 34 CFR 690.83(b)(2) and 34 CFR 685.309 states that Institutions are responsible for timely and accurate reporting of a student's enrollment status and changes in those enrollment statuses, whether they report directly or via a third-party servicer. When an Institution is made aware of a change in a student's enrollment status, the Institution has 60 days to update the change in enrollment status via NSLDS. The University pushed through the changes in enrollment status to the Clearinghouse timely and accurately based upon the student's enrollment status; however, the change in enrollment status was not pushed through all the way to NSLDS resulting in inaccurate and untimely records within NSLDS.

**Responsible Individuals:** Kella Helyer, Director of Financial Aid and Amy Clark, University Registrar

**Corrective Action Plan:** There is documentation of the student's enrollment status in the National Student Clearinghouse (NSC) for each month starting Fall term 2023. The enrollment reporting process functions such that each month, the National Student Loan Data System (NSLDS) sends a file to NSC for the students who have been awarded federal aid. NSC then

sends a file back to NSLDS for the students on the list. This return file then updates the NSLDS enrollment reporting section in their system. NSC will not send enrollment for students if they are not on the NSLDS list. To do so would be a FERPA violation. For the student in question, NSLDS did not place their name on the list for reporting enrollment until June 2024. A second call to NSLDS has been placed requesting a response as to why this student was not reported.

**Anticipated Completion Date:** 12/6/2024

**Finding:** 2024-004

**Federal Agency Name:** U.S. Department of Education

**Assistance Listing Number(s):** 84.007, 84.033, 84.038, 84.063, and 84.268.

**Program Name:** Student Financial Assistance Cluster

**Finding Summary:** Awards must be coordinated among the various programs and with other federal and nonfederal aid (need and non-need-based aid) to ensure that total aid is not awarded in excess of the student's financial need or cost of attendance (34 CFR 668.42, FWS, and FSEOG, 34 CFR 673.5 and 673.6; Direct Loan, 34 CFR 685.301). Financial need is defined as the student's COA minus the student's EFC (as computed by the central processor and included on the student's SAR/ISIR). During the testing of compliance for Eligibility, it was noted students who worked as Resident Advisors for the University, did not have their Title IV aid adjusted for amounts they received via direct payments to cover the cost of their housing. As a result, the University compensated the students for the cost of their housing outside the normal processing and packaging of Title IV aid, resulting in \$26,572 of Direct Loans being disbursed to student's in excess of their financial need.

**Responsible Individuals:** Kella Helyer, Director of Financial Aid

**Corrective Action Plan:** The current year (2024-25) Resident Assistant benefits have been taken into consideration for all applicable students.

**Anticipated Completion Date:** 9/10/2024



December 13, 2024

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, 2024, and have issued our report thereon dated November 12, 2024, except for the Statement of Net Position, Note 2 and Note 18, for which the date is December 13, 2024. 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 the Uniform Guidance**

As communicated in our letter dated May 22, 2024, 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 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.

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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 12, 2024, except for finding 2024-001 in the schedule of findings and questioned costs, for which the date is December 13, 2024. 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 12, 2024.

### **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, our firm, and other firms utilized in the engagement, if applicable, 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 adopted by the University is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. 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.

#### *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:

Management's estimate of the allowance for uncollectible receivables is based on based history and current market conditions. We evaluated the key factors and assumptions used to develop the allowance for uncollectible receivables and determined that it is reasonable in relation to the basic financial statements taken as a whole.

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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.

The remaining obligation under the other postemployment benefit (OPEB) plans is based on actuarial estimates provided by Milliman (RHIA & RHIPA) and CavMac (PEBB) 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.

### *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 misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Financial reclassification of \$3,716,000 from noncurrent assets to current assets.

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.

- Journal entry to record a prior period adjustment relating to the accrual of payroll benefits and taxes in the amount of \$1,330,000.
- Journal entry to reconcile cash and investments per the general ledger to the underlying support in the amount of \$184,000.

The effect of this uncorrected misstatement, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2024, is an overstatement of beginning net position of \$1,178,000, an overstatement of current year change in net position of \$335,000, and an overstatement in ending net position of \$1,514,000.

### **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 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.

#### *Relationship with the State of Oregon*

As described in Note 1, the financial statements of the University are intended to present the financial position, changes in financial position, and cash flows attributable to the University. They do not purport to, and do not present fairly the financial position of the State of Oregon as of June 30, 2024, and the changes in its financial position for the year then ended in conformity with accounting principles general accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### *Restatement and Reissuance*

As described in Note 18, subsequent to the issuance of the University's 2024 financial statements and our report thereon dated November 12, 2024, we became aware that those financial statements contained a misclassification of restricted cash amounts as noncurrent assets. This resulted in the current cash and cash equivalent balance to be understated and noncurrent cash and cash equivalents to be overstated. In our original report we expressed an unmodified opinion on the 2024 financial statements, and our opinion on the revised statements, as expressed herein, remains unmodified.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated November 12, 2024.

### **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, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating 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.



Boise, Idaho

