

Finance & Administration Committee (FAC), May 29, 2020 Management Report

Period 10 Actual to Actual and Percent Variance Education & General Fund Report:

This report provides ten months of actual revenue and expense activity (as of April 30, 2020) as compared to the same period in prior fiscal year.

Revenues:

Gross student fees & tuition are \$3.571M less than the prior year due to an approximate 5% decrease in fall and 6% decrease in winter and spring term enrollment. Fee remissions have increased by \$1.469M from the prior year due to more aggressive financial aid packaging. Total institutional discount is 16% of tuition & fees, which is in line with other Oregon institutions. Government resources & allocations have increased by \$2.168M from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is reflective of the addition of \$100M to the PUSF for all seven universities rather than the \$120M, which would have met the current service level need and resulted in an additional \$1.4M in state funding to WOU.

Expenses:

Personnel expenses are \$3.373M more than the prior period. The ten months personnel expense includes the second and final retirement window program payment of \$783K.

Services and supplies expenses are \$629K less than the prior period.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$5.695M compared to prior year.

FY20 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 ten months of operations and projections for the remaining two months of FY20. Projections for periods eleven through twelve are based on the actual FY19 realization/burn rates for period ten, which are applied to FY20 revenues and expenses.

Revenues:

Total revenues are projected to be \$67.149M, \$2.242M less than the FY20 adjusted budget. Tuition is projected to be \$2.038M less than the adjusted budget, due to a continued decline in enrollment and \$1M increase in fee remissions.

Expenses:

Total expenses are projected to be \$69.189M, \$2.106M more than the FY20 adjusted budget. Personnel is projected to be \$62.218M, \$2.978M more than the adjusted budget. This projection is reflective of budget reductions that are underway, including an estimated \$300K of furlough and LWOP savings in June. Service and supplies are projected to be \$6.665M, \$975K less than the adjusted budget.

Operating Net Revenues less Expenses:

Net revenues less expenses are projected to be a loss of \$5.100M versus the FY20 adjusted budget of \$1.311M.

Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. Salem remodel expenses originally included \$800K of E&G funds, but have been reallocated to Capital Improvement & Renewal (CIR) funds, which is reflected in the transfer schedule.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$8.668M versus the FY20 adjusted budget of \$5.639M. This is primarily due to the decrease in tuition revenue and increase in personnel expense. Projected year end fund balance is \$4.287M, or 6.38% of projected revenues.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY20 Projected Year-End Report and the overall Management Report as of April 30, 2020.

Western Oregon University
P10 YTD Actual to Actual Variance
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of April 30, 2020
For the Fiscal Year Ended June 30, 2020

	P10 YTD FY19	P10 YTD FY20	Variance	Note
	Actuals	Actuals		
Education & General Fund				
Revenues				
Student Fees & Tuition	44,310	40,739	(3,571)	Lower enrollment.
Less: Fee Remissions	(5,014)	(6,483)	(1,469)	Increase in fee remissions.
Net Student Fees & Tuition	39,296	34,256	(5,040)	
Government Resources & Allocations	25,348	27,516	2,168	HECC higher allocation.
Gift Grants and Contracts	644	465	(179)	
Other Revenue	3,331	3,358	27	
Total Revenues	68,619	65,594	(3,024)	
Expenses				
Personnel	48,235	51,609	3,373	Salary rate & retirement contribution increases.
Service & Supplies	5,334	4,705	(629)	
Capital Expense	226	153	(73)	
Total Expenses	53,795	56,466	2,671	
Net Revenues less Expenses	14,824	9,128	(5,695)	

Western Oregon University
P10 YTD Actual to Actual Variance
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of April 30, 2020
For the Fiscal Year Ended June 30, 2020

	P10 YTD FY19	P10 YTD FY20	Variance	Note
	Actuals	Actuals		
Auxiliary Enterprises Funds				
Revenues				
Enrollment Fees	7,072	6,453	(619)	
Sales and Services	11,861	9,686	(2,175)	
Other Revenue	1,141	1,607	467	
Total Revenues	20,073	17,746	(2,327)	
Expenses				
Personnel	9,332	9,673	341	
Service & Supplies	10,104	10,064	(40)	
Capital Expense	105	0	(105)	
Total Expenses	19,541	19,737	196	
Net Revenues less Expenses	532	(1,991)	(2,523)	
Designated Operations, Service Departments, Clearing Funds				
Revenues				
Enrollment Fees	231	370	140	
Sales and Services	284	118	(167)	
Other Revenue	1,935	1,622	(313)	
Total Revenues	2,450	2,110	(340)	
Expenses				
Personnel	1,004	890	(114)	
Service & Supplies	1,006	919	(86)	
Capital Expense	32	78	45	
Total Expenses	2,042	1,887	(155)	
Net Revenues less Expenses	408	223	(185)	

Western Oregon University
P10 Percent Actual Variance Analysis Education & General Fund
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of April 30, 2020
For the Fiscal Year Ended June 30, 2020

	P10 FY19 Realization/ Burn Rate %	P10 FY20 % of Adjusted 2020 Budget	Variance
Education & General Fund			
Revenues			
Student Fees & Tuition (net of remissions)	98.72%	93.04%	-5.69%
Government Resources & Allocations	100.00%	100.01%	0.01%
Gift Grants and Contracts	75.94%	54.66%	-21.28%
Other Revenue	79.13%	79.77%	0.64%
Total Revenues	97.74%	94.53%	-3.21%
Expenses			
Personnel	82.25%	87.12%	4.87%
Service & Supplies	70.59%	61.58%	-9.01%
Capital Expense	49.88%	75.45%	25.58%
Total Expenses	80.71%	84.17%	3.47%

Western Oregon University
P10 Percent Actual Variance Analysis Education & General Fund
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of April 30, 2020
For the Fiscal Year Ended June 30, 2020

	P10 FY19 Realization/ Burn Rate %	P10 FY20 % of Adjusted 2020 Budget	Variance
Auxiliary Enterprises Funds			
Revenues			
Enrollment Fees	99.25%	91.76%	-7.49%
Sales and Services	82.71%	67.55%	-15.16%
Other Revenue	59.31%	92.93%	33.62%
Total Revenues	85.82%	76.82%	-9.00%
Expenses			
Personnel	82.04%	80.01%	-2.04%
Service & Supplies	79.48%	74.56%	-4.92%
Capital Expense	1615.23%	100.00%	-1515.23%
Total Expenses	81.11%	77.13%	-3.97%
Designated Operations, Service Departments, Clearing Funds			
Revenues			
Enrollment Fees	215.12%	327.38%	112.25%
Sales and Services	98.70%	0.00%	-98.70%
Other Revenue	82.80%	21.41%	-61.38%
Total Revenues	89.67%	0.51%	-89.16%
Expenses			
Personnel	87.76%	88.03%	0.26%
Service & Supplies	84.21%	70.07%	-14.14%
Capital Expense	100.00%	100.00%	0.00%
Total Expenses	86.14%	81.22%	-4.92%

Western Oregon University
 FY20 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of April 30, 2020
 For the Fiscal Year Ended June 30, 2020

	FY19 Year-End Actuals	FY20 Year-End Projected	FY20 Adjusted Budget	Variance FY20 Projected Year-End to Adjusted Budget	Note
Education & General Fund					
Recurring Operating Activities					
Student Fees & Tuition (net of remissions)	39,804	34,782	36,820	(2,038)	Lower enrollment/higher fee remissions.
Government Resources & Allocations	25,348	27,512	27,512	-	Projection is based on amount provided by HECC.
Gift Grants and Contracts	848	612	850	(238)	
Other Revenue	4,209	4,243	4,209	34	
Total Revenues	70,209	67,149	69,391	(2,242)	
Personnel	58,647	62,218	59,240	(2,978)	Includes \$300K of furlough & LWOP savings in June.
Service & Supplies	7,556	6,665	7,640	975	
Capital Expense	454	307	203	(104)	
Total Expenses	66,656	69,189	67,083	(2,106)	
Net Transfers	4,621	3,060	3,619	559	Projection is based on transfer schedule.
Total Expenses and Transfers	71,278	72,249	70,702	(1,547)	
Operating Net Revenues less Expenses	(1,069)	(5,100)	(1,311)	3,789	
Other Activities					
Investment in Salem Building	-	(2,698)	(3,500)	(802)	
Retirement Window Payment	(905)	(783)	(783)	0	
Other	(213)	(88)	(45)	43	
Total Other Activities	(1,118)	(3,569)	(4,328)	(759)	
Total Net Revenues less Expenses	(2,187)	(8,668)	(5,639)	3,030	
Fund Balance at the Beginning of the Year	15,143	12,956	12,956		
Fund Balance at the End of the Year	12,956	4,287	7,317		
Fund Balance as a Percentage of Revenues	18.45%	6.38%	10.54%		

Western Oregon University
 FY20 Projected Year-End
 (Unaudited, non-GAAP, for management purposes only)
 (in thousands)

As of April 30, 2020
 For the Fiscal Year Ended June 30, 2020

	FY19 Year-End Actuals	FY20 Year-End Projected	FY20 Adjusted Budget	Variance FY20 Projected Year-End to Adjusted Budget	Note
Auxiliary Enterprises Funds					
Enrollment Fees	7,125	6,453	7,032	(580)	Assumes no revenue in May or June.
Sales and Services	14,341	10,000	14,339	(4,339)	Assumes minimal revenue in May or June.
Other Revenue	1,923	1,607	1,730	(122)	Assumes no revenue in May or June.
Total Revenues	23,389	18,060	23,101	(5,041)	
Personnel	11,374	11,710	12,090	381	Includes \$80K of furlough savings in June.
Service & Supplies	12,712	12,662	13,497	835	
Capital Expense	7	0	0	0	
Total Expenses	24,093	24,372	25,588	1,216	
Net Transfers	(2,886)	(3,341)	(2,015)	1,326	Projection is based on transfer schedule.
Total Expenses and Transfers	21,207	21,031	23,572	2,542	
Net Revenues less Expenses	2,182	(2,970)	(472)	(2,499)	
Additions/Deductions to Fund Balance	(2,487)	(2,438)			
Fund Balance at the Beginning of the Year	12,851	12,546			
Fund Balance at the End of the Year	12,546	7,138			
Fund Balance as a Percentage of Revenues	53.64%	39.52%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	107	172	113	59	
Sales and Services	288	119	174	(54)	
Other Revenue	2,337	1,959	2,046	(87)	
Total Revenues	2,732	2,250	2,333	(83)	
Personnel	1,144	1,014	1,011	(3)	
Service & Supplies	1,194	1,092	1,312	220	
Capital Expense	32	78	0	(78)	
Total Expenses	2,371	2,183	2,323	140	
Net Transfers	(44)	(193)	1	194	Projection is based on transfer schedule.
Total Expenses and Transfers	2,327	1,990	2,324	334	
Net Revenues less Expenses	405	260	9	251	
Additions/Deductions to Fund Balance	(420)	(364)			
Fund Balance at the Beginning of the Year	2,965	2,951			
Fund Balance at the End of the Year	2,951	2,848			
Fund Balance as a Percentage of Revenues	108.01%	126.54%			

Western Oregon University

Transfers Schedule - Projected

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

	E&G					Auxiliary					Des Ops - Serv Dept.		Plant fund		Other		Total	
	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Transfers In E&G																		
Actual						265,613	42,677	15,392	2,638	90,000				60,000				476,320
Upcoming														8,893				8,893
Transfers Out E&G																		
Actual																		
Upcoming						150,000	3,160,158	87,863										
Transfers In AUX																		
Actual																		
Upcoming	150,000	3,160,158	87,863	1,170	53,777				3,336				203,087					261,370
Transfers Out AUX																		
Actual	265,613	42,677							10,000									
Upcoming																		-
Transfers In DO, SD																		
Actual																		
Upcoming																		
Transfers Out DO, SD																		
Actual	2,638	15,392	90,000						3,336									
Upcoming																		-

Type	Description
(a)	Return of FY19 'loans' to cover cash deficits in Athletics, Conference Services, Sundry & Rainbow Dance
(b)	Child Development Center support
(c)	Misc. transfers
(d)	Private scholarship interest earnings and Pepsi contract funds to offset fee remissions
(e)	Endowment matches
(f)	Athletic operations support
(g)	Conference Services support
(h)	Werner University Center Pacific Room remodel support
(i)	Small-Scale Energy Loan Program debt service
(j)	Purchase & remodel of Vick Building in Salem
(k)	Close out old library service index
(l)	Building & equipment replacement reserves for Housing, Dining, Parking, Health & Wellness Center, Telecommunications, and the Werner University Center
(m)	Vending income sponsored scholarships