

## **Finance & Administration Committee (FAC), May 25, 2023, FY2023 Management Report**

### **Period 10 Actual to Actual Variance:**

#### **Education & General Fund Report:**

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

#### **Revenues:**

Tuition revenues are \$1.316M less than the prior year despite having a modest tuition increase (3.19% for resident undergrad) due to an approximate 7.0% enrollment decrease in Fall 2022, 5.2% enrollment decrease in Winter 2023, and 5.0% enrollment decrease in Spring 2023 (all decreases respective to the same term prior year; 4.9% attrition between Fall 2022 and Winter 2023, and 6.5% attrition between Winter 2023 and Spring 2023). Online course fees have decreased by \$357K because of decreased enrollment. Other fees are \$88K more than the prior year. Fee remissions have increased \$280K from the prior year. Altogether, this results in net tuition and fees for Period 10 being \$1.866M less than the prior year.

Government resources & allocations have increased by \$1.137M from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This includes the fifth-eighth quarterly distributions for the 2021-23 biennium. 49% of PUSF is distributed in year 1 (FY22) and the remaining 51% distributed in year 2 (FY23).

Gift grants and contracts revenue has increased by \$1.167M from prior year, primarily reflecting increased grant indirect revenue. Other revenues have increased by \$71K from the prior year.

Overall, total revenues are \$67.395M, \$510K more than the prior year.

#### **Expenses:**

Personnel expenses are \$579K less than the prior period and reflect variations in faculty/staff from the prior year. T/TT faculty received step increases and a 1.5% COLA effective September 2022, NTT faculty received a 2.75% COLA effective September 2022, unclassified staff received a 4.5% COLA effective July 1, 2022, and classified staff received step increases and a 2.5% COLA effective July 1, 2022.

Services and supplies expenses are \$149K less than the prior year.

Overall, total expenses are \$52.246M, \$719K less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have increased by \$1.229M compared to prior year.

Auxiliary Enterprises:

Auxiliary Enterprises is comprised of Athletics, University Housing, Campus Dining, Parking, Bookstore, Student Health & Counseling Center (SHCC), Child Development Center (CDC), Incidental Fee, and other minor operations.

Revenues:

Enrollment Fees have decreased by \$592K, primarily because of decreased enrollment and the change to the incidental fee structure (in FY22, fee of \$355 was charged to all students at credit 1; in FY23, the fee is \$372, but a reduced fee of \$200 is charged to students not enrolled on the Monmouth campus). Sales and Services are up \$478K from the prior year, primarily in housing/dining (\$426K). Other Revenue increased by \$273K, primarily due to increased conference activity. Altogether, auxiliary revenue totals \$16.231M and has increased \$160K from the prior year.

Expenses:

Personnel expenses are \$740K more than the prior year, primarily in housing/dining (\$345K) and athletics (\$209K). Service & Supplies are \$1.506M more than the prior year, primarily in housing/dining (\$402K) and athletics (\$654K). Altogether, auxiliary expense total \$18.434M, an increase of \$2.246M from the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$2.203M and have decreased by \$2.086M 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 April 30<sup>th</sup>, the clearing fund reflects temporary revenue and expense balances, these balances can cause misleading comparisons as a result.

Revenues and expenses are comparable to prior year, with revenues up \$387K (although \$142K is related to the clearing fund) and expenses up \$40K, for a net difference from prior year of \$427K.

## **FY23 Projected Year-End:**

This report provides year-end projections. The projected year-end methodology is a combination of actual revenues and expenses for the first ten months of operations and projections for the remaining two months of FY23. Projections for periods eleven through twelve are based on the actual FY22 realization/burn rates for period ten, which are applied to FY23 revenues and expenses.

### **Education & General Fund:**

#### **Revenues:**

Total revenues are projected to be \$68.485M, \$2.617M more than the FY23 adjusted budget. Altogether, net student fees & tuition are projected to be \$683K more than the adjusted budget, which encompasses a projection of \$5.1M for fee remissions, \$400K less than what was budgeted. Government Resources & Allocations total \$32.394M and reflect all four quarters of actuals received; this is \$428K more than the adjusted budget as the true-up for three-year rolling average came in better than anticipated. Gifts, grants, and contracts are projected at \$2.421M, \$1.241M higher than the FY23 adjusted budget, primarily because of increased grant indirect activity. Other revenues are projected to be \$2.865M, \$265K more than the FY23 adjusted budgeted amount.

#### **Expenses:**

Total expenses are projected to be \$65.958M, \$4.629M less than the FY23 adjusted budget. Personnel is projected to be \$55.474M, \$4.019M less than the budget. This reflects campus efforts related to a soft hiring freeze and to delay hiring as well as the difficulty in hiring for some positions, as well as salary savings being held centrally; \$550K of salvage savings were incorporated into the FY23 adjusted budget as a one-time activity. Service and supplies are projected to be \$10.205M, \$699K less than the FY23 adjusted budget, which includes \$1.141M of one-time expense. These savings again reflect campus efforts to conserve fund balance by minimizing travel and reducing departmental S&S budgets by 10%.

#### **Transfer Schedule:**

A projected transfer schedule is attached to provide details for the projected transfers in and out. This includes projected transfers to Athletics of \$4M to make their operations whole (\$3.177M budgeted) and \$150K to subsidize Child Development Center operations. Other transfers included are \$660K that has been transferred out for the Student Success Center XI-G match, \$217K transferred out for SELP debt service, and \$150K transferred in from the quasi endowment for the equity audit.

#### **One-Time Activities:**

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

#### Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$2.063M versus the FY23 adjusted budget of a loss of \$7.896M. This difference is primarily due to savings in fee remissions, an increase in grant indirect revenue, and anticipated personnel salvage and S&S savings. Projected year-end fund balance is \$13.118M, or 19.16% of projected revenues.

#### Auxiliary Enterprises:

##### Revenues:

Total revenues are projected to be \$19.207M, \$634K more than the FY23 adjusted budget. Enrollment fees are projected to be \$5.087M, \$522K less than the budget, primarily due to decreased enrollment. Sales and services are projected to be \$11.425M, \$461K more than budgeted. Other revenues are projected to be \$2.695M, \$694K more than the FY23 adjusted budget, primarily due to increased conference activity.

##### Expenses:

Total expenses are projected to be \$23.436M, \$2.366M more than the budget. Personnel is projected to be \$10.549M, \$43K less than the adjusted budget. Service and supplies are projected to be \$12.888M, \$2.409M more than the adjusted FY23 budget, primarily due to the increased costs of food/merchandise and freight.

#### Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$1.999M compared to the FY23 adjusted budget of a loss of \$1.036M. This results in a projected year end fund balance of \$3.189M.

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

##### Revenues:

Total revenues are projected to be \$2.441M, \$188K more than budgeted.

##### Expenses:

Total expenses are projected to be \$2.195M, \$86K under the budget.

#### Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be \$245K compared to the FY23 budget of a loss of \$28K.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY23 Projected Year-End Report and the overall Management Report as of April 30, 2023.

**Western Oregon University**  
**P10 YTD Actual to Actual Variance**

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

**As of April 30, 2023**  
**For the Fiscal Year Ended June 30, 2023**

	P10 FY22 Actuals	P10 FY22 Realization/ Burn Rate %	P10 FY23 Actuals	P10 FY23 % of Budget	Variance		Note
					Actuals	%	
<b>Education &amp; General Fund</b>							
<b>Revenues</b>							
Tuition	32,606		31,290		(1,316)		Decreased enrollment.
Online Course Fees	3,577		3,220		(357)		
Other Fees	1,028		1,115		88		
Less: Fee Remissions	(4,723)		(5,004)		(280)		
Net Student Fees & Tuition	32,488	98.45%	30,622	101.66%	(1,866)	3.21%	
Government Resources & Allocations	31,257	100.00%	32,394	101.34%	1,137	1.34%	
Gift Grants and Contracts	828	70.72%	1,995	169.09%	1,167	98.36%	
Other Revenue	2,313	83.24%	2,385	91.72%	71	8.48%	
<b>Total Revenues</b>	<b>66,885</b>	<b>98.06%</b>	<b>67,395</b>	<b>102.32%</b>	<b>510</b>	<b>4.25%</b>	
<b>Expenses</b>							
Personnel	45,603	81.79%	45,024	75.68%	579	-6.11%	
Service & Supplies	7,311	73.79%	7,161	65.67%	149	-8.11%	
Capital Expense	53	22.06%	61	32.36%	(9)	10.31%	
<b>Total Expenses</b>	<b>52,966</b>	<b>80.37%</b>	<b>52,246</b>	<b>74.02%</b>	<b>719</b>	<b>-6.35%</b>	
<b>Net Revenues less Expenses</b>	<b>13,920</b>		<b>15,149</b>		<b>1,229</b>		

**Western Oregon University**  
**P10 YTD Actual to Actual Variance**

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

**As of April 30, 2023**  
**For the Fiscal Year Ended June 30, 2023**

	P10 FY22 Actuals	P10 FY22 Realization/ Burn Rate %	P10 FY23 Actuals	P10 FY23 % of Budget	Variance		Note
					Actuals	%	
<b>Auxiliary Enterprises Funds</b>							
<b>Revenues</b>							
Enrollment Fees	5,639	99.23%	5,048	90.00%	(592)	-9.23%	
Sales and Services	8,800	81.22%	9,279	84.63%	478	3.41%	
Other Revenue	1,632	70.66%	1,905	95.19%	273	24.53%	
<b>Total Revenues</b>	<b>16,071</b>	<b>85.36%</b>	<b>16,231</b>	<b>87.39%</b>	<b>160</b>	<b>2.03%</b>	
<b>Expenses</b>							
Personnel	7,988	82.74%	8,728	82.40%	(740)	-0.34%	
Service & Supplies	8,200	75.31%	9,706	92.63%	(1,506)	17.32%	
Capital Expense	-	100.00%	-	100.00%	-	0.00%	
<b>Total Expenses</b>	<b>16,188</b>	<b>78.80%</b>	<b>18,434</b>	<b>87.49%</b>	<b>(2,246)</b>	<b>8.69%</b>	
<b>Net Revenues less Expenses</b>	<b>(116)</b>		<b>(2,203)</b>		<b>(2,086)</b>		
<b>Designated Operations, Service Departments, Clearing Funds</b>							
<b>Revenues</b>							
Enrollment Fees	52	154.22%	188	390.76%	136	236.53%	
Sales and Services	105	74.83%	106	83.64%	1	8.80%	
Other Revenue	1,467	74.66%	1,717	82.60%	249	7.94%	
<b>Total Revenues</b>	<b>1,624</b>	<b>75.92%</b>	<b>2,011</b>	<b>89.24%</b>	<b>387</b>	<b>13.32%</b>	
<b>Expenses</b>							
Personnel	714	91.46%	679	66.61%	35	-24.84%	
Service & Supplies	1,162	81.13%	1,179	93.43%	(16)	12.30%	
Capital Expense	21	21498.59%	-	100.00%	21	-21398.59%	
<b>Total Expenses</b>	<b>1,897</b>	<b>85.73%</b>	<b>1,857</b>	<b>81.45%</b>	<b>40</b>	<b>-4.29%</b>	
<b>Net Revenues less Expenses</b>	<b>(274)</b>		<b>153</b>		<b>427</b>		

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

As of April 30, 2023  
 For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Adjusted Budget	Variance FY23 Projected Year-End to Budget	Note
<b>Education &amp; General Fund</b>					
<b>Recurring Operating Activities</b>					
Student Fees & Tuition (net of remissions)	33,000	30,806	30,123	683	
Government Resources & Allocations	31,257	32,394	31,966	428	
Gift Grants and Contracts	1,171	2,421	1,180	1,241	
Other Revenue	2,779	2,865	2,600	265	
<b>Total Revenues</b>	<b>68,206</b>	<b>68,485</b>	<b>65,869</b>	<b>2,617</b>	
Personnel	55,759	55,474	59,493	4,019	Salvage savings (\$550K budgeted)
Service & Supplies	9,907	10,205	10,905	699	Budget includes \$1.141M one-time expense
Capital Expense	238	278	190	(89)	
<b>Total Expenses</b>	<b>65,904</b>	<b>65,958</b>	<b>70,587</b>	<b>4,629</b>	
Net Transfers	4,168	4,890	3,477	(1,413)	Projection is based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>70,072</b>	<b>70,848</b>	<b>74,064</b>	<b>3,216</b>	
<b>Operating Net Revenues less Expenses</b>	<b>(1,866)</b>	<b>(2,362)</b>	<b>(8,195)</b>	<b>5,833</b>	
<b>One-Time Activities</b>					
HEERF Reimbursement	5,168	299	299	-	
<b>Total One-Time Activities</b>	<b>5,168</b>	<b>299</b>	<b>299</b>	<b>-</b>	
<b>Total Net Revenues less Expenses</b>	<b>3,301</b>	<b>(2,063)</b>	<b>(7,896)</b>	<b>5,833</b>	
<b>Fund Balance at the Beginning of the Year</b>	10,870	15,090	15,090		
<b>Additions/Deductions to Fund Balance</b>	918	92	-		
<b>Fund Balance at the End of the Year</b>	<b>15,090</b>	<b>13,118</b>	<b>7,194</b>		
<b>Fund Balance as a Percentage of Revenues</b>	20.57%	19.16%	11.38%		



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

As of April 30, 2023  
For the Fiscal Year Ended June 30, 2023

	<b>FY22 Year-End Actuals</b>	<b>FY23 Projected Year-End</b>	<b>FY23 Adjusted Budget</b>	<b>Variance FY23 Projected Year-End to Budget</b>	<b>Note</b>
<b>Auxiliary Enterprises Funds</b>					
Enrollment Fees	5,683	5,087	5,608	(522)	
Sales and Services	10,836	11,425	10,964	461	
Other Revenue	2,309	2,695	2,001	694	
<b>Total Revenues</b>	<b>18,828</b>	<b>19,207</b>	<b>18,573</b>	<b>634</b>	
Personnel	9,654	10,549	10,592	43	
Service & Supplies	10,888	12,888	10,478	(2,409)	
Capital Expense	-	-	-	-	
<b>Total Expenses</b>	<b>20,542</b>	<b>23,436</b>	<b>21,070</b>	<b>(2,366)</b>	
Net Transfers	(2,827)	(2,230)	(1,461)	769	Projection is based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>17,716</b>	<b>21,206</b>	<b>19,609</b>	<b>(1,597)</b>	
<b>Net Revenues less Expenses</b>	<b>1,112</b>	<b>(1,999)</b>	<b>(1,036)</b>	<b>(964)</b>	
HEERF Funds	1,487	-	-	-	
<b>Additions/Deductions to Fund Balance</b>	<b>(1,921)</b>	<b>(1,829)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>6,339</b>	<b>7,017</b>			
<b>Fund Balance at the End of the Year</b>	<b>7,017</b>	<b>3,189</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>37.27%</b>	<b>16.60%</b>			
<b>Designated Operations, Service Departments, Clearing Funds</b>					
Enrollment Fees	34	-	48	(48)	
Sales and Services	140	142	127	15	
Other Revenue	1,965	2,299	2,078	221	
<b>Total Revenues</b>	<b>2,139</b>	<b>2,441</b>	<b>2,253</b>	<b>188</b>	
Personnel	781	742	1,019	277	
Service & Supplies	1,433	1,453	1,262	(191)	
Capital Expense	0	-	-	-	
<b>Total Expenses</b>	<b>2,213</b>	<b>2,195</b>	<b>2,281</b>	<b>86</b>	
Net Transfers	(46)	1	1	-	Projection is based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>2,168</b>	<b>2,196</b>	<b>2,281</b>	<b>86</b>	
<b>Net Revenues less Expenses</b>	<b>(29)</b>	<b>245</b>	<b>(28)</b>	<b>273</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(277)</b>	<b>(241)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>3,047</b>	<b>2,741</b>			
<b>Fund Balance at the End of the Year</b>	<b>2,741</b>	<b>2,746</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>128.17%</b>	<b>112.50%</b>			

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

	E&G		Auxiliary		Des Ops - Serv Dept.	Plant fund		Other		Total
<b>Transfers In E&amp;G</b>								(a)	(b)	
<b>Actual</b>								1,704	299,487	301,191
<b>Upcoming</b>								158,893	-	158,893
<b>Transfers Out E&amp;G</b>			(c)	(d)		(e)	(f)	(a)		
<b>Actual</b>			-	396,340		217,360	660,000	-		1,273,700
<b>Upcoming</b>			150,000	3,603,660		-	-	23,131		3,776,791
<b>Transfers In AUX</b>	(c)	(d)				(g)				
<b>Actual</b>	-	396,340				185,374				581,714
<b>Upcoming</b>	150,000	3,603,660				-				3,753,660
<b>Transfers Out AUX</b>						(g)		(h)		
<b>Actual</b>						-		1,704		1,704
<b>Upcoming</b>						128,372		1,975,371		2,103,743
<b>Transfers In DO, SD</b>										
<b>Actual</b>										-
<b>Upcoming</b>										-
<b>Transfers Out DO, SD</b>								(i)		
<b>Actual</b>								-		-
<b>Upcoming</b>								750		750

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