

Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 30 – January 26, 2023
8:00AM – 11:00AM
Public Meeting: via [Zoom](#)
Phone: +1-253-215-8782 | Meeting ID: 816 6492 0811

AGENDA

- I. **CALL TO MEETING/ ROLL CALL** (8:00-8:05am)
- II. **COMMITTEE CHAIR’S WELCOME and Introductions** (8:05-8:10am)
- III. **CONSENT AGENDA** (8:10-8:12am)
 - 1) Approval of [November 1, 2022 Meeting Minutes](#) (pg. 3)
- IV. **ACTION ITEMS:**
 - 1) [FY2022 Financial Statements Audit and Single Audit](#) (pg. 18) (8:12-8:42am)
 - a) [Financial Statements Highlights](#) (pg. 20) | *Shadron Lehman, Controller*
 - b) [Eide Bailly Presentation](#) (pg. 21) | *Kristin Diggs, CPA & Kailey Holt, CPA*
 - c) Opportunity to meet with Auditors without staff present
 - 2) [FY2023 Management Report](#) (as of December 31, 2022) (pg. 32) (8:48-9:03am) | *Camarie Moreno, Director of Budget & Planning and Dr. Ana Karaman, Vice President Finance & Administration*
- V. **REPORTS & DISCUSSION ITEMS:**
 - 1) [University Budget Advisory Committee \(UBAC\)](#) (pg. 41) (9:10-9:20am)
 - 2) [University Technology Advisory Committee \(UTAC\)](#) (pg. 42) (9:20-9:40am)
 - 3) [Finance & Administration Report](#) (pg. 43) (9:40-10:30am) | *Dr. Ana Karaman, Vice President Finance & Administration*
 - a) [Update on Capital Projects](#) (pg. 47) | *Jason Krawzchyk, Director of Capital Planning & Construction* (15min)
 - b) [Status Report on FY24 Budget](#) (pg. 53) | *Dr. Ana Karaman, Vice President Finance & Administration*

- c) [Review of WOU Budget Dashboard & Discussion of Guiding Principles](#) | Dr. Ana Karaman

VI. FEBRUARY 14-15, 2023 BOARD MEETING PREPARATION (10:30-10:45am)

VII. UPDATES AND AROUND-THE-TABLE (10:45-11:00am)

VIII. ADJOURNMENT (11:00am)



**Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 29 – November 1, 2022 | 8:00-11:00am
Public Meeting: via Zoom | Meeting ID: 852 0739 7295
Phone: +1-253-215-8782**

Draft Minutes

I. CALL-TO MEETING / ROLL CALL

Chair Gayle Evans called the meeting to order at 8:02am.

The following trustee committee members were present:

Gayle Evans, Chair
Cec Koontz, Trustee
Leah Mitchell, Trustee
Angela Fasana, Trustee

Others Present Included:

Jesse Peters, President
Ana Karaman, Vice President of Finance & Administration
Bill Kernan, Director of UCS
Camarie Moreno, Director of Budget and Planning
Samantha Cameron, Budget Analyst
Darin Silbernagel, Treasurer
Dona Vasas, Bursar
Shadron Lehman, Controller
Cara Groshong, Co-Chair of UBAC
Chelle Batchelor, Co-Chair of UTAC
Kevin Thibeault, Business and Facilities Operations Manager
Rebecca Chiles, Assistant VP for Safety & Operations, Campus Public Safety
Michael Reis, Director of Academic Innovation, Trustee

II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS

Chair Evans began the meeting by discussing the importance of working and bonding together as a team after two hard years with regards to the pandemic. Members of the Finance & Administration team introduced themselves to the trustees giving information on their title, job, and how long they have been at WOU. After F&A introductions, the trustees introduced themselves stating their day job and reasons for joining the board.

Chair Evans went through agenda for the meeting and made a note that Dr. Ana Karaman, Vice President of Finance & Administration, will be creating an online training for the committee to understand the business model of WOU; how the institution runs financially, what are the inputs and sources of revenue/expenses and how is it structured to carry out its financial operations. Chair Evans requested that trustees dive deep into understanding the business model so that they can continue to add great feedback and be super productive during the FAC meetings.

III. CONSENT AGENDA

1) Approval of May 25, 2022 Meeting Minutes

Chair Evans requested a motion to approve the May 25, 2022 minutes. Trustee Koontz motioned to approve as submitted. Trustee Mitchell seconded. Evans asked for discussion and upon hearing none took the vote. The vote to approve the May 25, 2022 draft minutes was passed unanimously.

IV. ACTION ITEMS:

1) FY2023 Revised Budget

Dr. Karaman introduced President Peters to present slides from his Presidential Address. Peters gave some background on his career and his excitement to be at Western. Dr. Peters chose, in his address, to show the community where WOU is fiscally and talk about how we could look at the future to get us to become a more sustainable university.

Peters started with the slide titled Power of WOU. Peters discussed the positive things about the institution which include the people, especially employees that have such a passion for the university, the Board of Trustees who really believe in the success of WOU, the alumni who speak highly of their education and continue to offer support, and the location of the university.

The next slide showed the Education & General Fund Revenue graph based on the FY23 preliminary budget. Peters stated that he included this slide so that people could see what revenues come from tuition & fees and what revenue comes from state appropriations and how those lines have been converging over time. Peters stated that Oregon does not support higher education nearly as much as other states which means there is less state money given to the schools and the universities have had to rely more on tuition dollars. As enrollment drops, institutions face a starker funding issue because the tuition drives funding more than state appropriations.

The next slide showed a chart of the FY23 E&G Fund Revenues. The revenues consist of 47.23% tuition & fees, 47.19% state appropriations and 5.58% other. FY23 E&G

Fund Expenses was the next slide. 81% of the university's expenses are the personnel. Enrollment & E&G Expense Trends graph shows that, over time, expenses & transfers have increased while enrollment has started to decline at a faster pace. Peters explained that the increase in expenses & transfers is normal to increase over time due to new employees, raises, and building maintenance. However, enrollment declining at a quicker curve is a bit alarming.

WOU's enrollment is heading towards a 50% decline from a high of 6,187 students in 2012 to 4,029 students in 2021.

Peters next discussed 4 and 6-year graduation rates at the university. 4-year graduation rates teeter in the high 20's percent and the 6-year rates are around 48% (the national rate is about 60%). Peters stated the importance of retaining students and continued to point out that WOU has a retention rate that varies from mid-70's to mid-60's percent.

The final topic that Peter discussed is Strategies for the Future. This includes data driven admissions strategies, clear and robust marketing and communications, focused campaign & fundraising as well as many more.

After the presentation, Peters accepted any questions the trustees or attendees may have. Chair Evans asked what President Peters would like to see the committee work on. Peters stated that FAC is valuable because the committee focuses on ROI such as looking at setting new programs therefore increasing enrollment and strategic investments that also help increase enrollment (possible academic partnerships). Trustee Mitchell asked Peters to discuss enrollment across all universities in Oregon. Peters stated that the decline in enrollment is not WOU specific. SOU is down around 5%, PSU is down around 8%, and all other Oregon universities are down except U of O and OSU. Peters went on to discuss that enrollment processes have changed, and large universities are now accepting more students than ever before, which could mean that individuals are wanting to go towards the bigger universities to start their education, and WOU has a hard time competing with larger universities because it does not have the same resources. Peters is not sure what the solution would be to deal with drop in enrollment, but continued pressure on the legislation to support higher education is one way the universities are fighting decreased enrollment. After no further questions, Evans turned it over to Karaman to present the proposed adjusted budget.

Karaman started the discussion by stating that WOU is tuition dependent, and enrollment controls our finances, therefore, it is important to look at our business model to understand all the components that go into our revenue and, therefore, understand how we expense the resources we have as an institution. Karaman spent several minutes discussing where WOU stands in terms of enrollment by showing the M-Report (Fall 2022 as of Oct. 10) chart. Karaman stated that the adjusted budget shows actual current fall enrollment numbers and these numbers are accurate in the M-Report (matriculation report). Karaman started with the M-Report by pointing out that total enrollment is 3,746 students, total credit hours is 45,776 hours, and total FTE (full-time

enrollment) is at 3,104.6. WOU is very dependent on full enrollment for the entire academic year and all the new students, practically, begin during fall term, which is typically the highest enrollment term each year. The university bases full time enrollment on using the total credit hours which is why current enrollment is at 3,746 students and total FTE is only at 3,104.6. Karaman explains that 15 credit hours equals full-time for an undergraduate student and 12 credit hours for a full-time graduate student. WOU's undergraduate students tend to take less credit hours than the full-time number of 15. They typically average 12-13 credits per term. Karaman stated that these numbers present both a challenge and an opportunity. The more credit hours a student takes, the more revenue the university gains, but it is an opportunity because the students university career can be laid out in a 4-year or 6-year graduation period. Students need to carry a load of 15 credit hours per term to meet the 4-year graduation period. If students take less credit hours and extend to a 6-year graduation, many of those students tend to have to pay more money or run the risk of financial aid ineligibility. Students increasing their credit hours during a term is both beneficial for the university and the student. Karaman continued to say that the reason she stated this was both a challenge and an opportunity is because it gives the University a chance to rethink on what they should do regarding student enrollment. WOU is heavily dependent on undergraduate (UG) enrollment and most of the current enrollment numbers are for UG students (total UG number is 3,317). The university currently has 429 enrolled graduate (GR) students. Karaman stated that this issue also presents an opportunity and a challenge. She continued to explain that in studies it is shown that undergraduate and graduate students tend to act differently during economic circumstances. When the economy is doing better, undergraduate enrollment tends to increase because families feel more secure about investing in education for their family members. Graduate enrollment tends to decline when the economy is doing well because there are many well-paying jobs for those employees who have a bachelor's degree. When the economy is in a decline, undergraduate enrollment tends to decline because families do not feel secure and do not have sufficient resources to invest in an undergraduate education. They tend to invest more in a community college, especially in Oregon because it is practically free of charge. However, graduate enrollment tends to grow during economic declines because employees with bachelorette degrees may be losing their jobs and they may think that this is an opportunity for them to invest in earning a master's degree to further their education and future career. Because of this different response of economic conditions, many institutions strive to have more balanced proportions of UG and GR so they can compensate for the declines in one while the other is growing. Unfortunately, Western is much more invested in UG and GR is such a small component of FTE, not even 10% of the total. Due to this factor, we do not have any room to compensate for the declines in UG enrollment. This, according to Karaman, gives us an opportunity to work on growing GR enrollment as we continue to improve the university's UG enrollment.

Karaman continued with the importance of retention and making sure students continue to come back each year. Retention is very important to the business model because, as

shown in the M-Report, there was a slight increase of +3 freshmen students, but there was a decline in sophomores (-18), juniors (-135), and seniors (-133). Karaman stated that even though the increase of freshmen class members is small, it does give WOU hope that they can reverse the trend of decreasing enrollment. The senior class currently has 1,034 students who most likely will be graduating at the end of this year which means that the university will lose that large number of enrolled students. As students graduate, we need to make up those numbers with new enrollments each year as well as work on our retention numbers. WOU has seen a decline in freshmen enrollment for the past twelve years, which means smaller sophomore, junior and senior classes.

Karaman opened the discussion up for questions. No questions were raised, so Karaman discussed one more point. Karaman stated that there currently is an enrollment projection team that is working on multi-year enrollment projections. Peters gave the goal of 5 in 5, meaning 5,000 FTE in 5 years. The team is working on projections and strategies to implement this goal. Karaman stated that after the committee works on the projections, they will be coming to the Finance & Administration Committee with a financial picture that attaches the enrollment numbers. Trustee Mitchell made the comment that the university has put a lot of interventions in place to increase enrollment and having visibility to the ROI for those interventions. For example, the driver's diagram has ten tactics for ensuring that when students receive counseling about how many credits they take that they receive counseling to take more than 12 credits. Peters stated that since he has joined the university, the enrollment projection team has been restructured and is working on answering many questions and he is hoping that their findings will greatly help with retention and enrollment rates.

Karaman next moved to the adjusted budget section. Karaman stated that one of the aspects of our budget model is that the university operates based on fund accounting. Fund accounting means that we must allocate and spend resources given their purpose. The university has a large Education & General Fund (E&G). The E&G fund can typically be spent for any institutional need. The university also has other funds which are typically restricted in terms of their usage such as auxiliary funds, incidental fee, designated operations and service departments, and other funds. The other funds include grants and we do not budget for grants because they are received as they are expended, as well as capital funds because capital resources come from the state. The University's major fund is the E&G fund. This is where all the tuition and fees go as a resource as well as where all the government resources come. Most of the personnel is paid out of the E&G fund including faculty and most staff. If we, the university, are not doing well in the E&G fund, we are not doing well anywhere else. Our revised budget for E&G fund is assumed to have a net budget deficit of \$7.9M. This includes some one-time activities, and if we look only at the reoccurring deficit budget it is only \$7.7M.

Karaman moved us to the slide that only shows the E&G fund detail. The chart shows the revised adjusted budget, the preliminary budget that was approved a few months

prior, the increase/decrease between the revised adjusted budget and the preliminary budget, the FY22 budget and the increase between the FY23 proposed adjusted budget and the FY22 budget. The primary sources of revenue are tuition and fees and state appropriation. The proposed adjusted budget is based on actual fall enrollment and by making assumptions about winter and spring enrollment. The assumption between fall and winter term is that we will retain 94% of students and between winter and spring term we will retain 94% of those students. Karaman hopes that the university will not face worse attrition numbers such as what happened during the pandemic years. During the first two years of the pandemic, the attrition rate was between 9-10%. Karaman stated that this attrition number is a number that the committee will continue to watch and report back.

The preliminary budget was based on a 5% decline in UG enrollment, the actual percentage is 7% decline in UG enrollment causing a decreasing tuition revenue of \$1,131,837. Graduate enrollment was up by 16 students, however, due to GR students taking a smaller credit load the FTE rate was lower causing a revenue decline of \$389,620 in GR tuition revenue. Summer tuition revenues were lower than typical which could be explained by online fatigue. Total tuition between the FY23 preliminary budget and the FY23 proposed adjusted budget is (\$1,832,657).

Next, Karaman directed attention to the fee side of the revenue where she points out that there was a slight decrease in online course fees since enrollment is lower. Fee remissions are capped at \$5.5M. Total tuition & fees (net of remissions) between the FY23 preliminary budget and the FY23 proposed adjusted budget is (\$1,866,365).

The Government Resources & Allocations section of the revenues stayed the same as the FY23 preliminary budget reports. HECC, Higher Education Coordinating Commission, is still calculating what is going to be the revised allocation. Once this corrected allocation arrives, Karaman will alert the committee with that figure. HECC will reward the institutions that are growing with more funds, while the universities that are declining will receive less funding.

Other revenues remained the same from the preliminary budget to the FY23 adjusted budget. Karaman noted that there was no indication that the figures needed to be changed.

Overall, the total revenues in the FY23 adjusted budget are \$65,868,849 which is (\$1,866,365) from the FY23 preliminary budget.

Expenses were the next section of the FY23 adjusted budget that were discussed. Most of the university's expenses are for people. People are the primary investment for WOU and that includes faculty, staff, and students. 81% of the university's expenses are for personnel.

Karaman flipped to a pie chart (pg. 31 of docket) that shows the breakdown of salary & pay expenses for personnel; faculty \$17,964,764 (47%), unclassified staff \$10,801,058 (28%), classified staff \$6,721,164 (18%), and other \$2,664,331 (7%).

Services & supplies are relatively low. Services & supplies are \$13,265,015 and are also internal sales which is (\$3,501,579). Chair Evans questioned how much personnel expenses are spent on benefits? Karaman answered that it makes up 35.65% of personal expenses. Evans stated that they are state benefits packets that employees enroll in, and they are not managed by WOU.

Karaman moved on to discuss capital outlay and that the university may be changing how they present that in that budget because it is not really a fund that is capitalized. It may be moved to services & supplies.

Total expenses are \$69,985,850. Looking back at the revenue, it is \$65,868,849 which looks like it is close to breaking even, however, there are transfers being made from G&E to support other funds. The largest transfer is to support Athletics. While athletics do not bring much revenue, unless you are at a large football university, it does bring value to students and families. The E&G transfer of \$3,287,753 to Athletics goes to support personnel including coaches, assistant coaches, athletic director, etc. Another transfer is made to the Child Development Center in the amount of \$150,000. The Child Development Center is a huge benefit to employees and students; however, the program does not charge enough to break even, therefore requiring assistance from E&G. SELP, Small Scale Energy Loan Program, is another transfer. WOU receives allocation from the state, regarding SELP, that the university must match 100%. That amount is \$175,000. This makes total transfers \$3,626,99.

Including recurring expenses and transfers, the total expenses is now \$73,612,841 causing a deficit of (\$7,743,992). Karaman stated that if the university continues to operate as it has, this will be the reoccurring deficit until changes are made.

Karaman moved on to one-time activities which include HEERF Reimbursement, Quasi Endowment Transfer (in the docket), Salvage Savings Sweep, and a few other misc. activities.

The Quasi Endowment Transfer is up for staff recommendation and Karaman wanted to discuss this item before returning to the adjusted budget, so that it makes sense. One of the activities that the university is engaging in this year is the equity audit. The equity audit is a part of our Diversity, Equity, Inclusion and Accessibility (DEIA) efforts. This audit is going to cost the university around \$150K. Two years ago, the committee asked the board to approve the transfer of \$850K out of E&G to the Q-E for DEIA efforts and since this is a continuation of those efforts, the committee is asking for the transfer of \$150K out of Q-E to support the equity audit.

This year's budget deficit is \$7,895,762. Karaman stated that the good news is that the university is entering the year with a beginning fund balance of \$15,089,728 which is

due to the federal relief fund that was received during the last three years. Over the last three years, the institution has received about \$14M in federal relief funding. If the university taps into the beginning fund balance, to take care of the \$7.9M deficit, the projected ending fund balance will be \$7,193,966, which would then be the amount of FY24 beginning fund balance. This would mean we would have enough funds to cover a deficit for one more year.

Karaman opened the discussion up for questions. Trustee Michael Reis, Director of Academic Innovation, asked if WOU has ever pursued a banded tuition policy, meaning charging a single-tuition rate for enrollment within a specific range of credits. Peters stated that it is something the university is looking at and is running through the tuition setting committee to see if it is something viable for the university to do.

Trustee Fasana commented that in her line of work, they encourage students to take less than the recommended 15 credit hours because it would be tough for a lot of students to manage 15 credit hours on top of working. She suggested that if we look at pushing students to taking the 15 credit hours, that the university also needs to look at more student support programs.

Karaman thanked everyone for their questions and comments and moved on to point that there have been no revisions to the FY23 Proposed Adjusted Budget other than the E&G funds. Karaman asked to move on to the staff recommendation.

Trustee Koontz moved that FAC forward the staff recommendation to the BOT to approve the FY23 Adjusted Budget as presented in the docket. Trustee Mitchell seconded the motion. The motion was unanimously approved at 9:31am.

2) Transfer of \$150K out of Quasi-Endowment to support Equity Audit

Karaman pointed out that she discussed the transfer out of the Q-E during the FY23 Proposed Adjusted Budget discussion and would like to move forward with a motion to approve the staff recommendation. Koontz moved that FAC recommend to the BOT to approve the transfer \$150K out of Q-E to support the Equity Audit. Mitchell seconded the motion. The motion was passed unanimously at 9:33am.

3) FY2023 Management Report (as of Sept 30, 2022)

Camarie Moreno, Director of Budget & Planning, gave a brief overview of the FY2023 Management Report to save time for other agenda items. Moreno started off the conversation by discussing P3 FY23 Actuals. She stated that there is not a ton of information available quite yet because it mostly captures summer data. Moreno stated that the other revenues are steady, and that the university is waiting to find out what the final state appropriation will be. On the expense side of the report, personnel remained close to what the numbers were last year with only a slight increase. Services & supplies had a more significant increase due to supply chain issues, however, Moreno

stated that there are no concerns in that area, and they believe that they will remain within budget. Auxiliary showed a slight rebound since more students are coming back to campus and Moreno is hoping that will upturn more during the year. While there is an increase on the revenue side, that means there is also an increase on the expense side because it takes more personnel to deliver the services for auxiliaries. Moreno stated that their projection is exactly what was put on the adjusted budget because that is what they believe is the most likely outcome to occur.

Moreno opened for questions. Not seeing any, Chair Evans looked for a motion to accept the staff recommendation for the FY23 Management Report. Koontz motioned that FAC accept FY23 Projected Year-End Report and the overall Management Report as of September 30, 2022. Mitchell seconded the motion. Motion was unanimously accepted at 9:38am.

V. REPORTS & DISCUSSION ITEMS:

1) Discussion of FAC Contributions to Strategic Priorities

Chair Evans discussed the Finance and Administration Committee's Contribution to Strategic Priorities document which is a proposed work plan for the academic year of 2022-2023. Evans read through the FAC mission and mentioned that one item the committee will be focusing on is reviewing the FAC Charter to get it more in line with the universities current structure, goals, and strategic priorities. FAC is going to carry out its work plan with particular attention to the 5 strategic goals: campus climate, campus morale, enrollment, strategic planning, and comprehensive campaign. These 5 strategic priorities were developed during the Board Retreat and Chair Komp designated each committee chair to execute these strategic priorities within their committee. FAC's work plan for the year includes:

- Implanting a training module to help new committee members come up to speed on WOU's business model and financial structure.
- Review FAC Charter and recommend changes to align with WOU structure, strategy, and best practices. Recommend updates to related Statements and Policies accordingly.
- Receive HR reports and recommendations from President or his designee until HR leader role is filled. Bring recommendations and reports to the Board as appropriate.
- Enhance stakeholder involvement in the development of recommendations and presentations brought to the Board by the FAC.
- Conduct data and reporting needs assessment to support governance, development, strategic planning, and accountability. The outcome could be the elimination of some reports and the creation of new dashboard and analytics.
- Carry out duties of Audit Committee for internal risk assessment process and internal audit plan.

- Conduction regular business with emphasis on providing data, insights, and recommendations that further the strategic goals and return WOU to fiscal sustainability.

After hearing no comments or questions about the work plan, Chair Evans passed it over to Karaman to go over some of the highlights of 5 strategic priorities. Karaman started off by stating that sometimes Finance & Administration is only looked at as controlling the finances, however, they have a much larger role including managing Facilities, University Computing Solutions, and Capital Planning, to name a few. F&A also employs the largest number of classified employees, and F&A is very diverse in their employee base. Karaman believes that F&A has their fingertips on campus climate and morale and can address it quickly through the supervisor's role and management. Karaman briefly touched on each of the 5 strategic priorities:

- **Campus Morale** - F&A is engaged in listening sessions to identify challenges and working collaboratively with the staff to find acceptable solutions. For example, Karaman mentioned Rebecca Chiles, Assistant VP for Safety & Operations, Campus Public Safety. Karaman stated that Chiles uses such a warm human approach when working with her employees, that the employees feel heard and listened to. Karaman stated that we need to do a better job of listening to our employees by continuing to engage with all levels of staff.
- **Campus Climate** – An important component is F&A's participation in the DEIA initiatives. Part of F&A's strategic plan is how, as a division, we can contribute to these initiatives and various practices that are implemented. Karaman also stated that a big part of campus climate is professional training. The university will strive to create intern programs for students to gain experience and training, especially those students who may have more difficulty gaining employment. Karaman thanked Bill Kernan, Director of UCS, for his consistent work of always working with student employees and helping them grow their professional development.
- **Enrollment** – Karaman thanked Dona Vasas, Bursar, for working so hard to be transparent to students and for implementing a financial literacy component for students that talks about how you survive financially through college. It is going to be FAC's duty to put a financial picture to the enrollment strategies and assist with implementing those strategies.
- **Strategic Planning** – Karaman stated that this is very important to the university because you want to ensure a financially sustainable and prosperous future for the institution. Karaman is determined to work on getting the university in financial prosperity and will continue to make efforts with strategic planning.
- **Comprehensive Campaign** – Karaman spoke about the \$5.5M tuition discount that is remitted from E&G annually. Working on raising additional scholarship funds could provide budget relief to the tuition discount category allowing for reallocation of tuition discount dollars to other areas of need.

Chair Evans asked for questions and, not seeing any, closed out this discussion by mentioning that this document will move on to the Executive Committee for further review.

2) Capital Projects Update

Jason Krawczyk, Director of Capital Planning & Construction, was not able to attend the meeting, so Karaman discussed the Capital Projects Update. Karaman began by discussing the Student Success Center. Karaman stated that the Student Success Center is going to be very important for students because it will offer a variety of academic support services within one building. Karman introduced Chelle Batchelor, Dean of Library and Academic Innovation, who is assisting with the project. Batchelor stated the project started Fall of 2021 with input from a big stakeholder group. The group created a vision and a mission for what the Student Success Center would look like. The committee also had three students as members who were able to provide input on what they would like in the Student Success Center. The committee came up with a mission that is support for academic students which will complement the services of the library and the Werner University Center which are nearby. The Student Success Center will be geared more towards student activities and engagement. The next step was to choose an architect and WOU hired Gensler Architects to design the new Student Success Center. Gensler has been developing early initial design concepts and will have them mid-November. Karaman added that this is a \$21M project and it has been funded through the state. The university is still on schedule and on budget to open the building in Fall of 2024.

Karaman moved on to discuss the steam tunnel project. WOU received \$16M to complete this project from the Oregon Senate Bill 5202. The life expectancy of this type of steam pipeline tunnel is 50 years and Karaman added that it is humbling that this project will improve the campus for many years to come.

Another project is campus roofing. Karaman stated that Capital Improvement and Renewal funds, given through the state, provided \$1.2M to replace the roofs on three campus buildings. The Advising Center is the first building to have a new roof and the remaining buildings will be completed in late spring of 2023 due to the wet fall, winter, and spring months of Oregon.

One last project mentioned was the flooring of the New Physical ED building. New hardwood floors were installed over the summer and fall of 2022 and funds were provided from Capital Improvement and Renewal. It cost \$.5M.

3) University Budget Advisory Committee (UBAC)

Cara Groshong, Co-Chair of UBAC, took charge of the conversation. Groshong stated that she and Karaman met with Peters at the end of September to talk about the agenda for the year. UBAC will continue to engage with campus to facilitate opportunities to get ideas about saving money, increasing enrollment, and helping with

revenue. UBAC will also continue campus wide budget conversations and their first meeting was October 27th to look at the FY23 updated budget.

4) University Technology Advisory Committee (UTAC)

Chelle Batchelor, Co-Chair of UTAC, took charge of discussing the UTAC update. Batchelor and Kernan, the other Co-Chair of UTAC, were able to meet with President Peters to discuss goals for the upcoming year. Batchelor stated that the charge of UTAC has not been updated since 2018. This caused Batchelor and Kernan to go back to UTAC to come up with ideas on how to update the committee's charge. Batchelor stated how inspired she has been by the work Groshong has done with UBAC and wants UTAC to fill a similar role for the university. Batchelor and Kernan will continue to work with the committee on how they can revise their charge and develop a new way of gearing the committee's membership to be more geared towards a technology base. One of the committees' goals is to work on technology accessibility on campus.

5) FY2022 Q4 Investment Report

Karaman spoke briefly about the FY2022 Q4 Investment Report and noted that as an institution we do not manage our investments. Those investments are managed by the State Treasury. Also, with respect to the Public University Fund (PUF), we are one of seven universities and all the funds are managed collectively. WOU does not have a separate investment fund. The Q-E is managed by the State Treasury as well.

6) Cash Flow Narrative FY23

Karaman pointed out that they implanted the Executive Summary in the cash flow narrative to highlight what is our beginning cash and projecting cash based on expected cashflow. It is important for the board to know how much cash WOU has.

7) Status Report on Audit of Financial Statements and Single Audit

Shadron Lehman is the university's Controller and has overseen the audits. Karaman reported that the audit has been completed. Lehman said that the report will be submitted to the state by the 15th of November, and he is working with the auditors on finalizing the report. Karaman stated that this will be an action item for the next committee meeting.

8) Update on Cleaning & Safety Protocol

Chiles mentioned that they are cleaning this entire campus with only 8 people. During pre-pandemic times, the university had about 18 custodians, so it shows how much they've had to scale down. The team continues to focus on the large rooms where they know a lot of individuals have frequented such as classrooms, meeting rooms, doorknobs, handrails, etc. Night custodians work from Sunday-Thursday nights and Chiles meets with them every term. Chiles makes sure that all the custodians feel included and heard.

Chiles discussed the recent Great Shakeout Earthquake Drill and how she would like to conduct an active shooter training in the Old Ed building before it is torn down for reconstruction.

Chiles commented on previous training that the university had on pandemics prior to the Covid pandemic. The university participated in a pandemic exercise in conjunction with Polk County Health Department and OHSU nursing students. The university did the training and practices for this type of pandemic and ended up giving their students flu vaccines. When the Covid-19 pandemic hit, the university was able to assist quickly because of this training.

Chair Evans asked Chiles how her custodial team was doing going from 18 employees down to 8 without compromising any safety and cleanliness standards. Chiles responded that the university has provided a lot of support to the team by getting more student workers. This benefits students with on-the-job training and, also, it benefits students that live on campus and do not have transportation to go to other jobs. The Cabinet also approved the hiring of one additional custodian. Chiles said folks on the night shift are very excited that they have help coming.

Chair Evans then asked if Facilities has everything they need to comply with OSHA regulations around air quality, heat, and smoke. Chiles responded that they are waiting for legal to write policies. Chiles stated they have internal protocols set for heat including an ice machine and personal coolers. For air quality, classrooms and meeting rooms are a must for controlling air quality and offices are looked at on a case-by-case basis.

VI. November 16, 2022 BOARD MEETING PREPARATION

Chair Evans reported that the FY2023 Proposed Adjusted Budget and Transfer of \$150K out of Q-E will go to the board for approval. Karaman added that the FY23 Management Report will also go as a consent agenda.

Chair Evans then moved back to the work plan that is on the FAC Contributions to 5 Strategic Priorities document. Chair Evans stated that she wants to work on items in between committee meetings including charter review. She would like the committee to read and review the charter prior to the next committee meeting. Also, at the next FAC meeting, will be discussing regular business which will include financial statements and the audit results. Chair Evans also requested guiding principles that may already be in place and a philosophy on finances that are out there which could have possibly been given to UBAC. She would like more discussion on this at the next committee meeting.

With time left in the meeting, Chair Evans opened the discussion on the reporting needs assessment. Chair Evans questioned what has been done already? Does the staff and management team feel like it is already in the works? Should we have more discussion

on things such as the dashboard? Who should be involved in this process? Who are the stakeholders on report assessment?

Chair Evans asked who the stakeholders are that should be involved with the reporting assessment? The Board of Trustees, UBAC, Tuition and Fees Advising Committee, Senior Management, legislators, and the Foundation were identified groups.

Koontz brought up the university's investment in EAB and other consultants on enrollment and how to measure the ROI on those investments, because they were huge initiatives. President Peters stated that consultants, such as EAB, would be able to give data based on other universities enrollment and that is something that WOU can ask for.

Chair Evans asked if we wanted to have a report on strategic investments that have already been made and are continuing and to get the ROI on those investments to get a baseline? What would be a good ROI lookback for the committee?

Karaman responded. She would like to have a joint committee meeting with Academic Affairs or at least a subsection of the Academic Affairs individuals because she believes it is important to look at the analysis from both the academic side as well as the financial side to build a more holistic picture. One item to be reviewed would be the Salem campus building. The Salem building was purchased several years ago and, due to the pandemic, the original building plans were altered. Now that the pandemic is ending, what are the new plans for the building? On one side, Karaman stated that the university could always liquidate the building and they would receive their funds back, and more given the real estate values, but that is not why the building was acquired. It was acquired for other purposes. What should the future of this building be?

Another investment that Karaman brought up was the \$5.5M financial aid in tuition discount. We contracted with RNL to increase student enrollment and it would be nice to hear, after a year of experience, how RNL themselves are revising the approach going forward and how they are revising predictions for the university. Karaman is interested to see what recommendations and revising RNL will give to the university because the first year was during a pandemic year and how will they move forward the next four years.

The final investment Karaman brought up was EAB. She stated this will interplay with the Salem building and continuing adult education. How will EAB influence what is being done to the Salem building? Also, how will EAB help with undergraduate enrollment? Karaman stated that EAB has already provided some feedback on areas of growth and have recommended on what areas WOU needs to invest in. This, according to Karaman, will be coming at a good time because of the university's investment in occupational therapy. Is this investment in line with what EAB would recommend and is it in the direction that EAB thinks the university should head towards?

Peters also discussed the Salem building and stated that he can already see some returns that are hard to measure. For example, the state may be interested in using the

building for some employee training. One reason for catching their attention is because WOU has a presence in Salem now, and there are so many state employees in Salem right around the Salem building.

Another thing that would be interesting to measure, according to Peters, would be the Destination Western Program. Originally the funding for this program came from state funds, however, Peters responded putting funds into something like a bridge program clearly impacts retention in a positive way that helps the university have an argument to put some of their own funding into similar programs.

Karaman stated that while looking at ROI, we also need to look at our future investments such as the occupational therapy program. The comprehensive campaign would also be something valuable to discuss with the Foundation and their finance committee to discuss challenges that the university budget is facing. Another item would be enrollment. How can we continue to invest in growing enrollment with marketing and possibly in person recruiters. Should we look at these intentional investments to grow enrollment?

Karaman added that the University should always have an exit strategy when engaging in a new initiative, just in case it does not work out. Karaman adds that we should not be afraid to try.

VII. UPDATES AND AROUND-THE-TABLE

Chair Evans stated there was no time for round tables this meeting, but hopefully at the next.

VIII. ADJOURNMENT

The Finance & Administration Committee Meeting was adjourned at 11:00am.

**Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2022
Financial Statements Audit**

[Western Oregon University's annual financial report](#) for the fiscal year ended June 30, 2022 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.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee recommend to the Board of Trustees to accept the University's fiscal year 2022 audit of financial statements.

Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2022 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.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee recommend to the Board of Trustees to accept the University’s fiscal year 2022 Single Audit and Management’s proposed Corrective Action Plan.

Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2022 Financial Statements Highlights

Annual Financial Report (in thousands)

- Total Net Position decreased by \$518
 - Net Investment in Capital Assets decreased by \$3,475
 - Depreciation and amortization \$5,802
 - Payments on debt associated with capital assets \$2,243
 - Restricted Expendable Net Position decreased by \$5,827
 - Other Post-employment Benefits (OPEB) assets decreased by \$5,098 (WOU's proportional share of assets set aside to pay future claims based on actuarial analysis)
 - Unrestricted Net Position increased by \$8,784
 - Increase related to University operations \$2,388
 - Quasi-Endowment increased \$514
 - PERS changes in performance, census and estimated earnings resulted in a year-end accrual of the net pension liability which increased unrestricted net position \$7,457
 - OPEB changes in performance, census and estimated earnings resulted in a year-end accrual of the net OPEB liability which decreased unrestricted net position \$1,575
- Statement of Revenues, Expenses, and Changes in Net Position
 - Operating Revenues increased \$5,574
 - Increase in grant activity \$2,091
 - Increase associated with recovery of auxiliary services \$7,906
 - Offset by Student Tuition and Fees decreased by \$4,657
 - Operating Expenses increased \$7,218
 - Decrease in Compensation and Benefits \$3,220
 - Decrease associated with PERS and OPEB year-end accruals \$2,995
 - Increase in Services and Supplies \$7,679
 - Increase in Scholarships and Fellowships \$3,572
- Statement of Cash Flows
 - Cash position increased by \$1,106



November 15, 2022

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, 2022, and have issued our report thereon dated November 15, 2022. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our letter dated June 22, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the University complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the University's major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Western Oregon 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 major federal program compliance, is to express an opinion on the compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the University's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 15, 2022. 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 15, 2022.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks.

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions.
- Valuation of the allowance for doubtful accounts – As the allowance is an estimate, it may be subject to management bias when calculating the amount that is reported in the financial statements.
- Improper Revenue Recognition – *Generally Accepted Auditing Standards* require a presumed risk of improper revenue recognition, unless otherwise noted.
- Implementation of GASB 87, *Leases* – GASB 87 is a new standard in the current year and therefore there is risk associated with properly implementing a new standard.

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 Western Oregon University is included in Note 1 to the financial statements. As described in Note 1, the University changed accounting policies related to accounting for leases to adopt the provisions of GASB Statement No. 87, *Leases*. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

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

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

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

Financial Statement Disclosures

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

Note 14 – Employee Retirement Plans – This describes the details and assumptions of the Oregon Public Retirement System (OPERS) Plan and the related net pension liability.

Note 15 – Other Postemployment Benefits (OPEB) – This describes the details of the postemployment benefit plans.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

- To pass on the revenue recognized in the prior year associated with the Higher Education Emergency Relief Funding that was corrected in the current year. This resulted in net position being overstated by \$151,871 and revenue associated with the change in net position being understated in the current year by \$151,871.
- To pass on truing up the accumulated amortization associated with the right to use asset to be in line with the actual life of the lease rather than life of the asset. This resulted the right to use asset, net to be overstated by \$167,123 and the amortization expense to be understated by \$167,123.

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2022, is an overstatement of the change in net position of \$15,252 and an overstatement of net position of \$151,871.

Disagreements with Management

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

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

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

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 15, 2022.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Matters

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

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

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed name of the firm.

Boise, Idaho



CPAs & BUSINESS ADVISORS

WESTERN OREGON UNIVERSITY

2022 FINANCIAL STATEMENT AUDIT RESULTS

AUDIT PROCESS

- What happens during an audit?
 - Single Audit
 - Begin process in Spring 2022
 - Risk-Based Audit Approach
 - Make determination as to which federal programs will perform single audits over
 - Wrap up during year end testing
 - Financial Statement Audit
 - Begin process in Spring 2022
 - Risk-Based Audit Approach
 - Testing
 - Involves confirmation, sampling, analytics, inquiry and substantiation
 - Assessment of testing and reporting

AUDIT RESULTS

- **Single Audit**
 - Programs performed single audit over:
 - Student Financial Assistance Cluster
 - Education Stabilization Fund (HEERF/GEER/SIP)
 - Child Care and Development Block Grant
- **Results**
 - Unmodified Opinion on Compliance for Each Major Federal Program
 - Finding
 - 2022-001 – Education Stabilization Fund
 - Reporting – Significant Deficiency in Internal Control

AUDIT RESULTS

- Financial Statement Audit
 - Significant Standard in the Current Year
 - GASB 87 Implementation – No significant impact to the University
 - Unmodified Opinion on Financial Statements
 - Unmodified Opinion on Internal Control over Financial Reporting
 - No adjustments
 - Two passed adjustments

UPCOMING GASB STANDARDS

- **GASB 96, Subscription-Based Information Technology Arrangements**
 - Reporting periods beginning after 6/15/22 (FY23)
- **GASB 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements**
 - Reporting periods beginning after 6/15/22 (FY24)
- **GASB 101, Compensated Absences**
 - Reporting periods beginning after December 15, 2023 (FY25)



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QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

Finance & Administration Committee (FAC), January 26, 2023 Management Report

Period 6 Actual to Actual Variance:

Education & General Fund Report:

This report provides six months of actual revenue and expense activity (as of December 31, 2022) as compared to the same period in prior fiscal year.

Revenues:

Tuition revenues are \$1.062M less than the prior year despite having a modest tuition increase (3.19% for resident undergrad) due to an approximate 7.0% enrollment decrease in Fall 2022 and 5.2% enrollment decrease in Winter 2023 (both decreases respective to the same term prior year; 4.9% attrition between Fall 2022 and Winter 2023). Online course fees have decreased by \$229K because of decreased enrollment. Other fees are \$59K more than the prior year. Fee remissions have decreased \$1.245M from the prior year; however, FY22 P6 includes winter term fee remissions while FY23 P6 does not. Fee remissions as of January 17, 2023 (including winter term) total \$3.276M. Altogether, this results in net tuition and fees for Period 6 being \$13K more than the prior year.

Government resources & allocations have increased by \$683K from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is the fifth and sixth 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 \$271K from prior year, primarily reflecting increased grant indirect revenue. Other revenues have decreased by \$1.077M from the prior year; FY22 included \$1.5M of reimbursement from the American Rescue Plan.

Overall, total revenues are \$44.797M, \$110K less than the prior year.

Expenses:

Personnel expenses are \$310K more than the prior period and reflect variations in faculty/staff from the prior year. T/TT faculty received step increases and a 1.5% COLA effective September 2022, NTT faculty received a 2.75% COLA effective September 2022, unclassified staff received a 4.5% COLA effective July 1, 2022, and classified staff received step increases and a 2.5% COLA effective July 1, 2022.

Services and supplies expenses are \$109K more than the prior year.

Overall, total expenses are \$29.268M, \$401K more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$512K 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 \$407K, primarily because of decreased enrollment and the change to the incidental fee structure (in FY22, fee of \$355 was charged to all students at credit 1; in FY23, the fee is \$372, but a reduced fee of \$200 is charged to students not enrolled on the Monmouth campus). Sales and Services are down \$124K from the prior year. Other Revenue increased by \$485K, primarily due to increased conference activity. Altogether, auxiliary revenue totals \$9.274M and has decreased \$47K from the prior year.

Expenses:

Personnel expenses are \$575K more than the prior year. Service & Supplies are \$841K more than the prior year. Altogether, auxiliary expense total \$9.998M, an increase of \$1.481M from the prior year.

Net Revenues less Expenses:

Net revenues less expenses total -\$724K and have decreased by \$1.527M 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.

Revenues and expenses are comparable to prior year, with revenues up \$34K and expenses up \$113K, for a net difference from prior year of -\$79K.

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

Education & General Fund:

Revenues:

Total revenues are projected to be \$66.944M, \$1.075M more than the FY23 adjusted budget. Altogether, net student fees & tuition are projected to be \$598K more than the adjusted budget, which encompasses a projection of \$5M for fee remissions, \$500K less than what was budgeted. Gifts, grants, and contracts are projected at \$1.835M, \$655K higher than the FY23 adjusted budget, primarily because of increased grant indirect activity. Other revenues are projected to be \$2.422M, \$178K less than the FY23 adjusted budgeted amount.

Expenses:

Total expenses are projected to be \$67.285M, \$2.700M less than the FY23 adjusted budget. Personnel is projected to be \$57.012M, \$3.020M less than the budget due to salvage savings from vacant positions; \$550K of salvage savings were incorporated into the FY23 adjusted budget as a one-time activity. Service and supplies are projected to be \$10.129M, \$366K more than the FY23 adjusted budget.

Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. This includes the standard transfers out of support to Athletics and the Child Development Center.

One-Time Activities:

One-time activities include a \$299K reimbursement to E&G from HEERF SSARP, \$150K transfer in from the quasi endowment to support the equity audit, and \$1.151M for miscellaneous activities including Banner financial aid implementation, EAB and RNL contracts, equity audit, Freedom Center, President's relocation, accreditation visit, Title IX outsourcing, and other misc. one-time expenses (projected salvage savings can be seen above in the personnel line item).

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$4.670M versus the FY23 adjusted budget of a loss of \$7.896M. This difference is primarily due to savings in budgeted fee remissions and anticipated personnel salvage savings. Projected year-end fund balance is \$10.420M, or 16.01% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$18.896M, \$323K 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 \$10.522M, \$442K less than budgeted. Other revenues are projected to be \$3.287M, \$1.286M more than the FY23 adjusted budget, primarily due to increased conference activity.

Expenses:

Total expenses are projected to be \$24.136M, \$3.066M more than the budget. Personnel is projected to be \$10.875M, \$283K more than the adjusted budget. Service and supplies are projected to be \$13.197M, \$2.719M more than the adjusted FY23 budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$3.779M compared to the FY23 adjusted budget of a loss of \$1.036M. This results in a projected year end fund balance of \$1.413M.

Designated Operations, Service Departments, Clearing Funds:

Revenues:

Total revenues are projected to be \$2.229M, \$24K less than budget.

Expenses:

Total expenses are projected to be \$2.623M, \$343K over the budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$395K 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 December 31, 2022.

Western Oregon University
P6 YTD Actual to Actual Variance

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

As of December 31, 2022
For the Fiscal Year Ended June 30, 2023

	P6 FY22 Actuals	P6 FY22 Realization/ Burn Rate %	P6 FY23 Actuals	P6 FY23 % of Budget	Variance		Note
					Actuals	%	
Education & General Fund							
Revenues							
Tuition	22,896		21,834		(1,062)		Decreased enrollment.
Online Course Fees	2,479		2,250		(229)		
Other Fees	807		865		59		
Less: Fee Remissions	(2,955)		(1,710)		1,245		FY22 includes winter term, while FY23 does not.
Net Student Fees & Tuition	23,226	70.38%	23,239	77.15%	13	6.76%	
Government Resources & Allocations	18,716	59.88%	19,398	60.68%	683	0.81%	
Gift Grants and Contracts	477	40.78%	748	63.42%	271	22.64%	
Other Revenue	2,488	58.26%	1,411	54.27%	(1,077)	-3.98%	FY22 includes \$1.5M ARP reimbursement.
Total Revenues	44,907	64.43%	44,797	68.01%	(110)	3.58%	
Expenses							
Personnel	23,951	42.95%	24,260	40.41%	310	-2.54%	
Service & Supplies	4,872	49.18%	4,981	51.02%	109	1.84%	
Capital Expense	44	18.44%	26	13.96%	(17)	-4.47%	
Total Expenses	28,867	43.80%	29,268	41.82%	401	-1.98%	
Net Revenues less Expenses	16,040		15,529		(512)		

Western Oregon University
P6 YTD Actual to Actual Variance

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

As of December 31, 2022
For the Fiscal Year Ended June 30, 2023

	P6 FY22 Actuals	P6 FY22 Realization/ Burn Rate %	P6 FY23 Actuals	P6 FY23 % of Budget	Variance		Note
					Actuals	%	
Auxiliary Enterprises Funds							
Revenues							
Enrollment Fees	3,878	68.24%	3,471	61.89%	(407)	-6.35%	
Sales and Services	4,298	39.67%	4,174	38.07%	(124)	-1.60%	
Other Revenue	1,144	49.56%	1,629	81.42%	485	31.86%	
Total Revenues	9,321	49.50%	9,274	49.93%	(47)	0.43%	
Expenses							
Personnel	4,550	47.13%	5,126	48.39%	575	1.26%	
Service & Supplies	3,967	36.43%	4,808	45.89%	841	9.45%	
Capital Expense	-	100.00%	64	100.00%	64	0.00%	
Total Expenses	8,517	41.46%	9,998	47.45%	1,481	5.99%	
Net Revenues less Expenses	803		(724)		(1,527)		
Designated Operations, Service Departments, Clearing Funds							
Revenues							
Enrollment Fees	11	31.94%	27	56.21%	16	24.27%	
Sales and Services	63	44.78%	75	59.36%	13	14.58%	
Other Revenue	924	47.01%	929	44.70%	5	-2.30%	
Total Revenues	997	46.62%	1,031	45.77%	34	-0.85%	
Expenses							
Personnel	453	58.05%	378	37.09%	(75)	-20.96%	
Service & Supplies	501	34.97%	689	54.65%	189	19.69%	
Capital Expense	-	0.00%	-	100.00%	-	100.00%	
Total Expenses	954	43.11%	1,067	46.81%	113	3.70%	
Net Revenues less Expenses	43		(36)		(79)		

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

As of December 31, 2022
 For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Adjusted Budget	Variance FY23 Projected Year-End to Budget	Note
Education & General Fund					
Recurring Operating Activities					
Student Fees & Tuition (net of remissions)	33,000	30,721	30,123	598	
Government Resources & Allocations	31,257	31,966	31,966	-	Projection based on budget.
Gift Grants and Contracts	1,171	1,835	1,180	655	
Other Revenue	4,270	2,422	2,600	(178)	
Total Revenues	69,697	66,944	65,869	1,075	
Personnel	55,759	57,012	60,033	3,020	Salvage savings.
Service & Supplies	9,907	10,129	9,763	(366)	
Capital Expense	238	144	190	46	
Total Expenses	65,904	67,285	69,986	2,700	
Net Transfers	4,809	3,627	3,627	-	Projection is based on transfer schedule.
Total Expenses and Transfers	70,713	70,912	73,613	2,700	
Operating Net Revenues less Expenses	(1,016)	(3,968)	(7,744)	3,776	
One-Time Activities					
HEERF Reimbursement	5,168	299	299	-	
Quasi Endowment	(850)	150	150	-	
Salvage Savings Sweep	-	-	550	(550)	See personnel savings above.
Other	-	(1,151)	(1,151)	-	Projection based on budget.
Total One-Time Activities	4,318	(702)	(152)	(550)	
Total Net Revenues less Expenses	3,301	(4,670)	(7,896)	3,226	
Fund Balance at the Beginning of the Year	10,870	15,090	15,090		
Additions/Deductions to Fund Balance	918	-	-		
Fund Balance at the End of the Year	15,090	10,420	7,194		
Fund Balance as a Percentage of Revenues	20.16%	16.01%	11.38%		

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

As of December 31, 2022
For the Fiscal Year Ended June 30, 2023

	FY22 Year-End Actuals	FY23 Projected Year-End	FY23 Adjusted Budget	Variance FY23 Projected Year-End to Budget	Note
Auxiliary Enterprises Funds					
Enrollment Fees	5,683	5,087	5,608	(522)	
Sales and Services	10,836	10,522	10,964	(442)	
Other Revenue	2,309	3,287	2,001	1,286	
Total Revenues	18,828	18,896	18,573	323	
Personnel	9,654	10,875	10,592	(283)	
Service & Supplies	10,888	13,197	10,478	(2,719)	
Capital Expense	-	64	-	(64)	
Total Expenses	20,542	24,136	21,070	(3,066)	
Net Transfers	(2,827)	(1,461)	(1,461)	-	Projection is based on transfer schedule.
Total Expenses and Transfers	17,716	22,675	19,609	(3,066)	
Net Revenues less Expenses	1,112	(3,779)	(1,036)	(2,743)	
HEERF Funds	1,487	-	-	-	
Additions/Deductions to Fund Balance	(1,921)	(1,825)			
Fund Balance at the Beginning of the Year	6,339	7,017			
Fund Balance at the End of the Year	7,017	1,413			
Fund Balance as a Percentage of Revenues	37.27%	7.48%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	34	85	48	37	
Sales and Services	140	168	127	41	
Other Revenue	1,965	1,976	2,078	(102)	
Total Revenues	2,139	2,229	2,253	(24)	
Personnel	781	651	1,019	368	
Service & Supplies	1,433	1,972	1,262	(710)	
Capital Expense	0	-	-	-	
Total Expenses	2,213	2,623	2,281	(342)	
Net Transfers	(46)	1	1	-	Projection is based on transfer schedule.
Total Expenses and Transfers	2,168	2,624	2,281	(342)	
Net Revenues less Expenses	(29)	(395)	(28)	(1)	
Additions/Deductions to Fund Balance	(277)	(243)			
Fund Balance at the Beginning of the Year	3,047	2,741			
Fund Balance at the End of the Year	2,741	2,104			
Fund Balance as a Percentage of Revenues	128.17%	94.39%			

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

	E&G		Auxiliary		Des Ops - Serv Dept.	Plant fund	Other	Total
Transfers In E&G							(a)	
Actual							-	-
Upcoming							8,893	8,893
Transfers Out E&G			(b)	(c)		(d)	(a)	
Actual			-	-		-	-	-
Upcoming			150,000	3,287,753		175,000	23,131	3,635,884
Transfers In AUX	(b)	(c)				(e)		
Actual	-	-				127,047		127,047
Upcoming	150,000	3,287,753				-		3,437,753
Transfers Out AUX						(e)	(f)	
Actual						-	-	-
Upcoming						128,372	1,975,371	2,103,743
Transfers In DO, SD							(g)	
Actual							-	-
Upcoming							-	-
Transfers Out DO, SD							(g)	
Actual							-	-
Upcoming							750	750

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

Finance & Administration Committee (FAC), February 26, 2023

University Budget Advisory Committee (UBAC Report)

DATE: 17-February 2023
TO: WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES:
FINANCE & ADMINISTRATION COMMITTEE
FROM: UNIVERSITY BUDGET ADVISORY COMMITTEE
RE: UBAC REPORT

Winter 2023 Update

UBAC met with on December 8, 2022 and heard from Dr. Tressa Shavers from NACUBO. She reported on the national study that WOU was chosen to be a part of, and shared a new strategic budget reduction modeling tool for UBAC review. The project is expected to last through the end of 2024.

UBAC met with ASC in two joint meetings; one in November and one in January. The committees discussed in detail how we can move forward together in a transparent and sustainable way with the upcoming budget cuts for FY24. The draft strategic budget reduction modeling tool was also shared with ASC. UBAC and ASC plan to continue joint meetings once a month throughout the year.

UBAC continues to engage and focus on ways to facilitate opportunities for the campus community to contribute ideas that save money, increase enrollment, and generate revenue for the university. In addition, UBAC will continue campus-wide educational series. Our first campus budget conversation was held on Oct 27, 2022 and the subject was the updated budget for FY23.

January 2023 UTAC Report

UTAC met twice during fall quarter, once on October 21, 2022 and again on December 9, 2022. Both meetings largely focused on review and revision of the committee's charge and membership structure. This review process was conducted in alignment with the university's work on the 7 year NWCCU report. Other topics that were covered by UTAC in these meetings included cybersecurity updates from University Computing Solutions, updates regarding a team-based project to improve accessibility of the university website, and information about campus safety infrastructure (Blue Phones).

Finance & Administration Committee
Vice President for Finance & Administration
January 13, 2023

Treasury Services (Darin Silbernagel):

- Net cash position as of December 31, 2022 is **\$41,665,096** (includes Steam Pipe Line Project).
- For the next 6 months, the total projected inflow is projected at **\$69,682,991**.
- For the next 6 months, the total projected outflows are **\$72,143,725**.
- Projected ending is **\$39,204,362** across all funds, **\$26,204,362** excluding Steam Pipe Line Restricted funding of **\$13M** carryforward to next year.
- [Click here](#) to view December Cash Flow Narrative and Cash Flow Forecast.

Cash Flow Narrative FY23

Executive Summary:

- **Beginning cash balance is \$35,288,183**
- **Projected ending cash balance is \$39,204,362**
- **Projected ending cash balance includes \$13,000,000 restricted to the steam pipeline project**
- **The operating projected cash ending balance net of the restricted steam line fund is \$26,204,362.**
- **Projected operating cash outflows will exceed projected operating cash inflows by \$9,083,821.**

The statement of cash flows enables users of the financial statements to determine how well an entity's income generates cash and to predict the potential of an entity to generate cash in the future. The purpose of the cash flow forecast is to present cash inflows and outflows for a reporting period to the reader of the report. Cash flows are not readily apparent when just reviewing the income statement, especially when that document is created under the accrual basis of accounting. Accrual accounting requires that certain non-cash revenue and expense items be included in the income statement, potentially in substantial amounts.

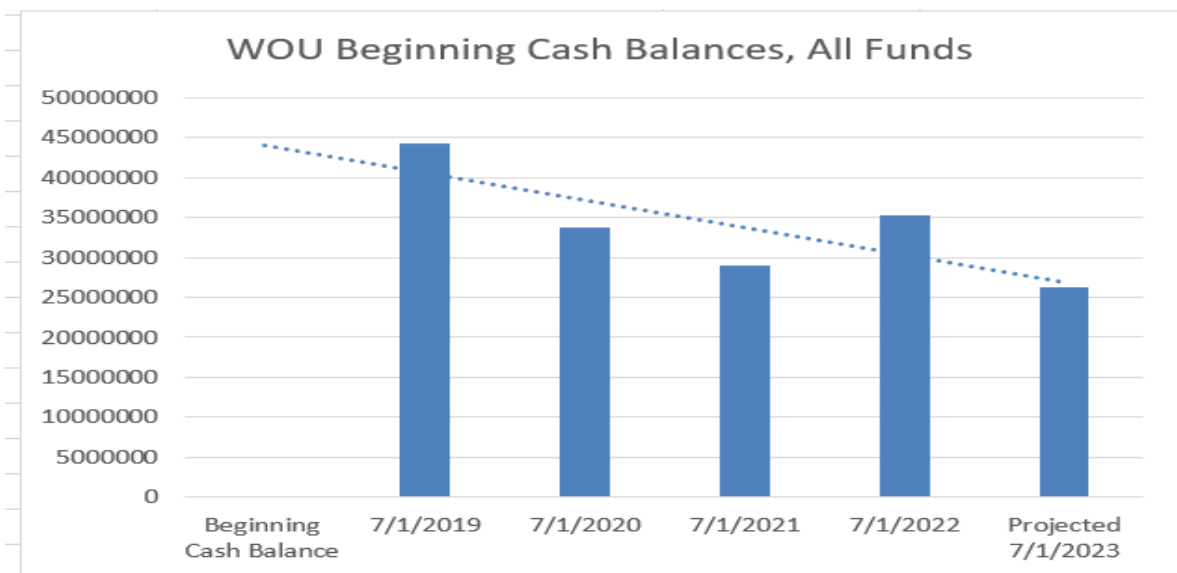
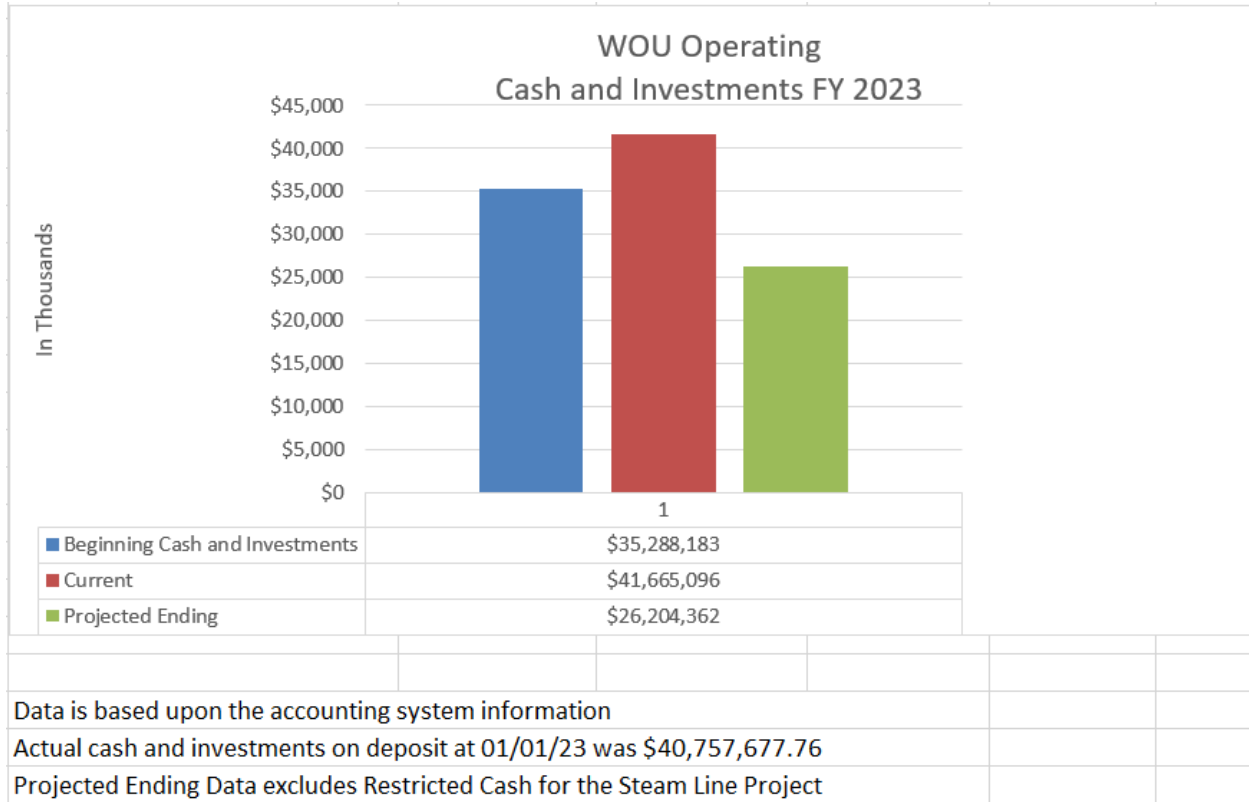
We began FY2023 with a cash & investment balance of \$35.288M.

You will note this does not have a one-to-one relationship with the Management Report, this is due to two reasons. The Management Report looks at individual fund activity for Education & General, Auxiliaries, and Designated Operations & Service funds; while these funds are the main funds for the University, other funds exist as well (such as Capital and Grant funds). The Cash Flow forecast incorporates all cash & investments for the University other than the cash balance related to Perkins loans (\$677,555 as mandated) and the quasi endowment. Additionally, the Management Report shows accounting activity using accrual-based accounting. Accrual accounting creates timing differences between income statement accounts (revenues & expenses as shown on the Management Report) and cash. A revenue transaction may be recorded in a different fiscal year than the year the cash related to that revenue is received. One purpose of the statement of cash flows is that users of the financial statements can see the amount of cash inflows and outflows during a year in addition to the amount of revenue and expense shown on the income statement.

For FY2023, the cash flow projection is based on actuals through December then several assumptions including a slight reduction in enrollment revenue overall for the year, the Board approved tuition increases, a 2% decrease in services & supplies (S&S) based on budget reductions. The Steam Line Project is included but noted below the cash flow since are restricted dollars and cannot be used for operations. Salary increases and Other Payroll Expenses (OPE) rate increases have been included as of what we understand currently. Overall, the cash flow projection shows a \$3.916M

increase but is deceiving with the Steam Line Pipe Project included. Operations only we are showing a projected net loss of \$9.083M over the fiscal year.

We will continue to monitor and adjust monthly. Current financial conditions continue to put pressure on cash flow. The University is engaged in processes to curtail expenses and to the extent those are successful, we will see an improvement to our bottom line.



Note: The positive amount in 2021-2022 is primarily related to the Federal stimulus funding received

**Western Oregon University
Monthly Cash Flow Forecast**

	Actuals						Estimates					
	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023
<i>Starting Cash and investment FY2023 (June 30, 2022)</i>	<i>\$35,288,183</i>											
Beginning Cash Estimate	\$ 35,288,183	39,529,497	34,136,650	36,522,432	36,870,140	39,968,057	41,665,096	56,065,103	49,705,582	51,412,362	56,720,114	48,754,258
<i>Adjusted Beginning Cash and investment Balance (Actual)</i>	35,288,183	39,529,497	34,136,650	36,522,432	36,870,140	39,968,057	41,665,096	-	-	-	-	-
Inflows												
Monthly Revenue Estimates	13,661,256	16,253,179	9,145,754	7,276,249	13,648,918	21,279,591	14,722,429	5,833,792	20,875,382	12,978,271	4,886,985	6,329,506
Estimated Cash Impacts GL Accrual Activity	4,239,566	(5,489,119)	2,011,079	315,920	3,131,100	1,670,371	13,014,683	(2,706,300)	(35,419)	2,445,551	(3,535,920)	(5,125,969)
Total Revenue and GL Inflows	17,900,821	10,764,059	11,156,833	7,592,169	16,780,018	22,949,962	27,737,112	3,127,492	20,839,963	15,423,822	1,351,065	1,203,537
Outflows												
Monthly Labor Estimates	4,297,625	4,163,241	4,611,031	6,833,512	6,941,623	6,818,606	6,867,841	7,083,001	7,205,150	7,312,612	6,893,233	3,856,976
Monthly Expense Estimates	1,479,417	2,995,666	11,084,436	4,025,546	2,217,256	2,961,439	6,382,898	2,404,013	11,928,033	2,803,459	2,423,687	6,896,458
Monthly Debt Estimates	516,322						86,366					
Total Operating Ledger Outflows	\$ 6,293,364	\$ 7,158,907	\$ 15,695,467	\$ 10,859,058	\$ 9,158,879	\$ 9,780,045	\$ 13,337,105	\$ 9,487,013	\$ 19,133,183	\$ 10,116,070	\$ 9,316,920	\$ 10,753,433
Net Flows	11,607,457	3,605,152	(4,538,634)	(3,266,889)	7,621,139	13,169,917	14,400,007	(6,359,521)	1,706,780	5,307,752	(7,965,855)	(9,549,896)
Ending Cash Estimate	\$ 39,529,497	\$ 34,136,650	\$ 36,522,432	\$ 36,870,140	\$ 39,968,057	41,665,096	56,065,103	49,705,582	51,412,362	56,720,114	48,754,258	39,204,362
<i>Actual Ending Cash Balance (Banner)</i>	\$ 39,529,497	\$ 34,136,650	\$ 36,522,432	\$ 36,870,140	\$ 39,968,057	\$ 41,665,096						
<i>Actual Less Forecast</i>	-	-	-	-	-	0	(56,065,103)	(49,705,582)	(51,412,362)	(56,720,114)	(48,754,258)	(39,204,362)
<i>% Deviation from Original Forecast</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
30 Day Cash Outflow Requirement	6,293,364	7,158,907	15,695,467	10,859,058	9,158,879	9,780,045	13,337,105	9,487,013	19,133,183	10,116,070	9,316,920	10,753,433
Excess/(Shortfall) over 30 Day Outflow Requirement	\$ 28,994,820	\$ 32,370,590	\$ 18,441,183	\$ 25,663,374	\$ 27,711,261	\$ 30,188,012	\$ 28,327,991	\$ (9,487,013)	\$ (19,133,183)	\$ (10,116,070)	\$ (9,316,920)	\$ (10,753,433)
60 Day Cash Outflow	13,452,271	22,854,375	26,554,526	20,017,938	18,938,925	23,117,150	22,824,118	28,620,196	29,249,253	19,432,990	20,070,354	10,753,433
Excess/(Shortfall) over 60 Day Outflow	\$ 21,835,912	\$ 16,675,122	\$ 7,582,125	\$ 16,504,494	\$ 17,931,215	\$ 16,850,907	\$ 18,840,978	\$ (28,620,196)	\$ (29,249,253)	\$ (19,432,990)	\$ (20,070,354)	\$ (10,753,433)

Footnote:

Steam Pipe Line Project Cash Impact Included Above
(Restricted Dollars for project)

	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	Total for Year
Steam Pipe Line Revenues Included			4,125,000	4,125,000		4,125,000				4,125,000			16,500,000
Steam pipe Line Expenses Included			2,500,000							250,000	750,000		3,500,000
													Net 2022-2023 Impact on Cashflows
													13,000,000

Capital Planning & Construction:

WOU is currently wrapping up the schematic design phase of the Student Success Center and Steam Tunnel projects.

- **Student Success Center Project:**

Oregon Senate Bill 5701 is providing 21 million in funding to design and build the Student Success Center, which is schedule to be open fall 2024.

- WOU Capital Planning and Construction is in the process of reviewing the four proposals from General Contractors.
 - Fortis
 - GBC
 - Swingerton
 - Turner
- As part of the RFP for the Student Success Center General Contractors tour the vacant building that was being used by the criminal justice class for crime scene investigation



- With Schematic Design just about to be finished we have gotten the first look at what we think the building is going to look like and the interior spaces.



- The team conducted a student interaction Tuesday January 10th with design items and materials to get campus feedback.



- **Steam Tunnel Project**

Oregon Senate Bill 5202 provided WOU with 16 million to design and install a utility tunnel system.

- Systems West Engineering is almost complete with the schematic design phase of the steam tunnel project and conducted a team review January 18th with members from Facilities, CPC and Public safety.
-
- Requests for Propose to General Contractors sent out in December. General contractors to team with mechanical and excavating subcontractor to propose as construction team.
- RFP walk held January 10th, with General Contractors and subcontractors, proposals due Feb. 3rd.



- **Campus Roofing Project**

Capital Improvement and Renewal funds provided the 1.2 million to replace the roofs of three campus buildings, Advising, Maple Hall and Welcome Center. Due to Oregon's usually wet falls, winters and springs we are anticipating all roofing complete in early Summer 2023.

- Maple Hall Roofing and siding replacement
 - Maple Hall is getting quote to change shingle roof to metal roof and replace decaying siding with metal siding, will increase lifespan of building.
 - CPC is waiting on revised cost to compare shingles to metal
- Welcome Center Roofing
 - Replacement metal roofing has been selected, measured and should start fabrication in January with delivery expected in March 2023.
 - Half of the metal roofing has arrived on campus and is currently being stored in South parking lot of Welcome Center. This move allowed WOU to avoid price fluctuation in new year.
- West House
 - West House Experienced a roofing failure in December, facilities was able to make a temporary fix to stop the leak but this building will need to be added to new roof list with minor repair inside.



- **WOU Salem Signage**

CPC is working with Fastsigns to get building signage installed on South, East and West side of the Salem WOU building. 1st round of mock-ups below.





NWCCU Fiscal Sustainability Plan (5K FTE)

In thousands

Note: Ignoring inflation/tuition rate increases

Assumption: Enhancements are working

One-time cuts (salary savings, reducing travel, etc) - can also utilize quasi instead (currently ~\$2.5M)

Should the state come forward with additional funding, that mitigates this

Permanent cuts by area (\$3.5M - have identified targets by division)

			Fund Balance	
			15,000	\$3.5M - minimum fund balance at current revenue level
FY23 3100 FTE	8,000	Deficit		
	3,000	Expense containment (one-time)		
	-	Expense containment (permanent)		
	-	New revenues		
	<u>-</u>	New expenses		
	5,000	Strategic use of fund balance	10,000	
FY24	8,000	Deficit		
	1,000	Expense containment (one-time)		
	3,500	Expense containment (permanent)		
	-	New revenues		
	<u>-</u>	New expenses		
	3,500	Strategic use of fund balance	6,500	
Note: Dr. Peters has set target of \$5M, anticipate \$1.5M of expense reallocation				
FY25	4,500	Deficit		
	1,000	Expense containment (one-time)		
	-	Expense containment (permanent)		
	1,500	New revenues		
	<u>500</u>	New expenses		
	2,500	Strategic use of fund balance	4,000	
FY26	3,500	Deficit		
	1,000	Expense containment (one-time)		
	-	Expense containment (permanent)		
	3,000	New revenues		
	<u>1,000</u>	New expenses		
	500	Strategic use of fund balance	3,500	
FY27	1,500	Deficit		
	-	Expense containment (one-time)		
	-	Expense containment (permanent)		
	4,000	New revenues		
	<u>2,500</u>	New expenses		
	-	Strategic use of fund balance	3,500	
FY28 5000 FTE	-	Deficit		
	-	Expense containment (one-time)		
	-	Expense containment (permanent)		
	5,000	New revenues		
	<u>5,000</u>	New expenses		
	-	Strategic use of fund balance	3,500	