

Finance & Administration Committee (FAC), October 26, 2020 Management Report

Period 3 Actual to Actual Variance Education & General Fund Report:

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

Revenues:

Tuition revenues are \$758K less than the prior year due to an approximate 7.5% enrollment decrease in fall term enrollment. Fees are \$2.756M more than the prior year due to approximately \$2.8M online course fee revenue (note: the budget is based on \$2.7M due to adjustments following September 30th). Fee remissions have increased \$357K from the prior year due to being in the second year (meaning two years of eligible students rather than just one) of WOU Supplemental and Transfer awards. Altogether, this results in net tuition and fees being \$1.651M more than the prior year.

Government resources & allocations have increased by \$486K from prior year based on the HECC's Public University Support Fund (PUSF) allocation formula. This is reflective of receiving the full original allocation for the second year of the 2019-21 biennium.

Overall, total revenues are \$27.651M, \$2.024M more than the prior year.

Expenses:

Personnel expenses are \$2.142M less than the prior period. In July 2019, the second and final retirement window program payment of \$783K and is reflected in the P3 FY20 personnel expense. FY21 personnel expense reflects savings from furloughed employees (1 month for unclassified, 2-3 months for classified) and employees placed on Leave Without Pay. It is also reflective of savings resulting from the 17 eliminated positions that were effective June 30, 2020.

Services and supplies expenses are \$242K less than the prior year.

Overall, total expenses are \$10.105M, \$2.387M less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have increased by \$4.411M 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 are down \$2.235M, primarily due to the decrease in incidental and health service fees due to 95% of classes being delivered online. Sales and Services are down \$820K from the prior period, primarily due to Housing being at about 50% of normal occupancy, resulting in fewer revenues for Campus Dining as well.

Expenses:

Personnel expenses are \$765K less than the prior period and are reflective of furlough savings and savings resulted from employees placed on Leave Without Pay. Service & Supplies are \$1.340M less than the prior year, due to a decrease in auxiliary activities over summer.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$1.387M compared to prior year.

FY21 Projected Year-End:

This report provides year-end projections. With three months of actuals, our Proposed Adjusted FY21 Budget matches the projection for the year.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY21 Projected Year-End Report and the overall Management Report as of September 30, 2020.

Western Oregon University
P3 YTD Actual to Actual Variance

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

As of September 30, 2020
For the Fiscal Year Ended June 30, 2021

| | P3 YTD FY20 | P3 YTD FY21 | Variance | Note |
|-------------------------------------|--------------------|--------------------|-----------------|---|
| | Actuals | Actuals | | |
| Education & General Fund | | | | |
| Revenues | | | | |
| Tuition | 15,907 | 15,149 | (758) | Decreased enrollment. |
| Fees | 739 | 3,494 | 2,756 | FY21 reflects \$2.8M of online course fee revenue (as of Sept 30., budget based on lower amount due to adjustments following Sept. 30). Reflective of two years of students qualifying for WOU Supplemental and Transfer awards. |
| Less: Fee Remissions | (1,908) | (2,254) | (347) | |
| Net Student Fees & Tuition | 14,738 | 16,389 | 1,651 | |
| Government Resources & Allocations | 9,864 | 10,350 | 486 | HECC higher allocation. |
| Gift Grants and Contracts | 190 | 135 | (55) | |
| Other Revenue | 835 | 777 | (58) | |
| Total Revenues | 25,627 | 27,651 | 2,024 | |
| Expenses | | | | |
| Personnel | 10,469 | 8,327 | (2,142) | FY20 includes \$783K of retirement window payment; FY21 reflects LWOP and furlough savings. |
| Service & Supplies | 2,015 | 1,773 | (242) | |
| Capital Expense | 7 | 5 | (2) | |
| Total Expenses | 12,491 | 10,105 | (2,387) | |
| Net Revenues less Expenses | 13,136 | 17,547 | 4,411 | |

Western Oregon University
P3 YTD Actual to Actual Variance

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

As of September 30, 2020
For the Fiscal Year Ended June 30, 2021

| | P3 YTD FY20 | P3 YTD FY21 | Variance | Note |
|---|--------------------|--------------------|-----------------|--|
| | Actuals | Actuals | | |
| Auxiliary Enterprises Funds | | | | |
| Revenues | | | | |
| Enrollment Fees | 2,395 | 160 | (2,235) | Reflects decrease in incidental fees. |
| Sales and Services | 1,248 | 428 | (820) | Reflects decrease in housing/other auxiliary revenues. |
| Other Revenue | 601 | 103 | (498) | |
| Total Revenues | 4,244 | 690 | (3,554) | |
| Expenses | | | | |
| Personnel | 2,503 | 1,739 | (765) | FY21 reflects LWOP and furlough savings. |
| Service & Supplies | 2,441 | 1,101 | (1,340) | |
| Capital Expense | 62 | 0 | (62) | |
| Total Expenses | 5,006 | 2,840 | (2,167) | |
| Net Revenues less Expenses | (762) | (2,149) | (1,387) | |
| Designated Operations, Service Departments, Clearing Funds | | | | |
| Revenues | | | | |
| Enrollment Fees | 64 | 4 | (60) | |
| Sales and Services | 56 | 13 | (43) | |
| Other Revenue | 313 | 265 | (49) | |
| Total Revenues | 434 | 282 | (151) | |
| Expenses | | | | |
| Personnel | 284 | 217 | (67) | |
| Service & Supplies | 371 | 289 | (81) | |
| Capital Expense | 8 | 0 | (8) | |
| Total Expenses | 662 | 506 | (156) | |
| Net Revenues less Expenses | (229) | (224) | 5 | |

Western Oregon University
FY21 Projected Year-End
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of September 30, 2020
For the Fiscal Year Ended June 30, 2021

| | <u>FY20 Year-End Actuals</u> | <u>FY21 Adopted Budget</u> | <u>FY21 Year-End Projected (FY21 Proposed Adjusted Budget)</u> | <u>Variance FY21 Proposed Adjusted Budget to FY20 Year-End Actuals</u> |
|--|----------------------------------|--------------------------------|--|--|
| Education & General Fund | | | | |
| Recurring Operating Activities | | | | |
| Student Fees & Tuition (net of remissions) | 34,935 | 35,950 | 37,965 | 3,030 |
| Government Resources & Allocations | 27,516 | 24,534 | 28,982 | 1,465 |
| Gift Grants and Contracts | 745 | 750 | 500 | (245) |
| Other Revenue | 3,736 | 3,600 | 2,600 | (1,136) |
| Total Revenues | <u>66,933</u> | <u>64,834</u> | <u>70,047</u> | <u>3,114</u> |
| Personnel | 61,630 | 60,186 | 57,198 | 4,432 |
| Service & Supplies | 7,810 | 7,526 | 8,849 | (1,038) |
| Capital Expense | 411 | 210 | 210 | 201 |
| Total Expenses | <u>69,852</u> | <u>67,922</u> | <u>66,256</u> | <u>3,595</u> |
| Net Transfers | 2,975 | 3,424 | 5,094 | (2,119) |
| Total Expenses and Transfers | <u>72,827</u> | <u>71,346</u> | <u>71,350</u> | <u>1,477</u> |
| Operating Net Revenues less Expenses | (5,894) | (6,512) | (1,303) | 4,591 |
| Other Activities | | | | |
| Investment in Salem Building | (2,698) | - | - | - |
| CARES Reimbursement for Salary | 1,800 | - | - | - |
| Retirement Window Payment | (783) | - | - | - |
| Other | (213) | - | - | - |
| Total Other Activities | <u>(1,893)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Net Revenues less Expenses | (7,787) | (6,512) | (1,303) | 4,591 |
| Additions/Deductions to Fund Balance | 1,072 | | - | |
| Fund Balance at the Beginning of the Year | 12,956 | | 6,240 | |
| Fund Balance at the End of the Year | <u>6,240</u> | | <u>4,937</u> | |
| Fund Balance as a Percentage of Revenues | 9.32% | | 7.05% | |

Western Oregon University
FY21 Projected Year-End
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of September 30, 2020
For the Fiscal Year Ended June 30, 2021

| | FY20 Year-End Actuals | FY21 Adopted Budget | FY21 Year-End Projected (FY21 Proposed Adjusted Budget) | Variance FY21 Proposed Adjusted Budget to FY20 Year-End Actuals |
|--|----------------------------------|--------------------------------|--|--|
| Auxiliary Enterprises Funds | | | | |
| Enrollment Fees | 6,488 | 5,676 | 2,412 | (4,076) |
| Sales and Services | 10,466 | 10,832 | 9,191 | (1,275) |
| Other Revenue | 2,108 | 1,554 | 1,599 | (509) |
| Total Revenues | 19,062 | 18,062 | 13,202 | (5,860) |
| Personnel | 11,491 | 10,970 | 9,242 | 2,249 |
| Service & Supplies | 11,734 | 11,237 | 10,449 | 1,285 |
| Capital Expense | - | - | - | - |
| Total Expenses | 23,225 | 22,207 | 19,692 | 3,534 |
| Net Transfers | (3,346) | (1,869) | (3,079) | (267) |
| Total Expenses and Transfers | 19,879 | 20,338 | 16,613 | 3,266 |
| Net Revenues less Expenses | (817) | (2,275) | (3,411) | (2,594) |
| Additions/Deductions to Fund Balance | (2,173) | | (108) | |
| Fund Balance at the Beginning of the Year | 12,546 | | 9,556 | |
| Fund Balance at the End of the Year | 9,556 | | 6,036 | |
| Fund Balance as a Percentage of Revenues | 50.13% | | 45.72% | |

Western Oregon University

FY21 Projected Year-End

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

(in thousands)

**As of September 30, 2020
For the Fiscal Year Ended June 30, 2021**

| | FY20 Year-End Actuals | FY21 Adopted Budget | FY21 Year-End Projected (FY21 Proposed Adjusted Budget) | Variance FY21 Proposed Adjusted Budget to FY20 Year-End Actuals |
|---|----------------------------------|--------------------------------|--|--|
| Designated Operations, Service Departments, Clearing Funds | | | | |
| Enrollment Fees | 106 | 113 | 113 | 7 |
| Sales and Services | 144 | 174 | 127 | (18) |
| Other Revenue | 2,094 | 2,047 | 2,034 | (60) |
| Total Revenues | 2,344 | 2,333 | 2,274 | (70) |
| Personnel | 1,113 | 1,012 | 985 | 128 |
| Service & Supplies | 1,053 | 1,321 | 1,312 | (259) |
| Capital Expense | 8 | - | - | 8 |
| Total Expenses | 2,173 | 2,333 | 2,297 | (124) |
| Net Transfers | (225) | 1 | 1 | (225) |
| Total Expenses and Transfers | 1,949 | 2,333 | 2,298 | (349) |
| Net Revenues less Expenses | 396 | - | (24) | 419 |
| Additions/Deductions to Fund Balance | (365) | | (273) | |
| Fund Balance at the Beginning of the Year | 2,951 | | 2,982 | |
| Fund Balance at the End of the Year | 2,982 | | 2,686 | |
| Fund Balance as a Percentage of Revenues | 127.21% | | 118.09% | |

Western Oregon University
Transfers Schedule - Projected FY21
(Unaudited, non-GAAP, for management purposes only)

| | E&G | | | | Auxiliary | | | | Des Ops - Serv Dept. | Plant fund | Other | | Total | |
|------------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|------------|---------|-----------|-------|-----------|
| Transfers In E&G | | | | | | | | | | | | | | |
| Actual | | | | | | | | | | | | | | |
| Upcoming | | | | | | | | | | | (a) | (b) | | |
| | | | | | | | | | | | 8,218 | | 8,218 | |
| Transfers Out E&G | | | | | | | | | | | | | | |
| Actual | | | | | | | | | | | | | | |
| Upcoming | | | | | (c) | (d) | (e) | (f) | | (g) | (b) | | | |
| | | | | | 150,000 | 2,772,874 | 1,000,000 | 1,000,000 | | 175,000 | 4,804 | | | |
| Transfers In AUX | (c) | (d) | (e) | (f) | | | | | | | | | | |
| Actual | | | | | | | | | | | | | | |
| Upcoming | 150,000 | 2,772,874 | 1,000,000 | 1,000,000 | | | | | | | | | | |
| Transfers Out AUX | | | | | | | | | | | | | | |
| Actual | | | | | | | | | | | | | | |
| Upcoming | | | | | (h) | | | | | | (i) | (j) | (a) | |
| | | | | | 86,563 | | | | | | 133,838 | 1,618,801 | 5,000 | 1,844,202 |
| Transfers In DO, SD | | | | | | | | | | | | | | |
| Actual | | | | | | | | | | | | | | |
| Upcoming | | | | | | | | | | | | | | |
| Transfers Out DO, SD | | | | | | | | | | | | | | |
| Actual | | | | | | | | | | | | | | |
| Upcoming | | | | | | | | | | | | | | |
| | | | | | | | | | | | (a) | | | |
| | | | | | | | | | | | 750 | | 750 | |

| Type | Description |
|------|---|
| (a) | Misc. transfers |
| (b) | Endowment matches |
| (c) | Child Development Center support |
| (d) | Athletic operations support |
| (e) | Fall Incidental Fee support |
| (f) | Potential Winter Incidental Fee support |
| (g) | Small-Scale Energy Loan Program debt service |
| (h) | Incidental fee misc. transfers out |
| (i) | Student Engagement & Campus Recreation transfers to building/equipment reserves |
| (j) | Transfers out from Housing and Recreation Center Building Fee for debt service payments |