

Finance & Administration Committee (FAC), March 30, 2021

Management Report

Period 8 Actual to Actual Variance Report:

This report provides eight months of actual revenue and expense activity (as of February 28, 2021) as compared to the same period in prior fiscal year.

Education & General Fund:

Revenues:

Tuition revenues are \$1.560M less than the prior year due to an approximate 7.5% decrease in fall term and 9.7% decrease in winter term enrollments (compared to the respective term in the prior year). Fees are \$4.683M more than the prior year due to approximately \$4.9M online course fee revenue (the FY21 adjusted budget includes \$5.5M for online course fees for the full year). Fee remissions have increased \$469K 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 \$2.654M more than the prior year.

Government resources & allocations have increased by \$1.234M 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 \$53.457M, \$2.935M more than the prior year.

Expenses:

Personnel expenses are \$4.854M less than the prior period. In July 2019, the second and final retirement window program payment of \$783K was made and is reflected in the P8 FY20 personnel expense. FY21 personnel expense reflects savings from furloughed employees 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, as well as 31 additional eliminated positions effective December 31, 2020.

Services and supplies expenses are \$491K less than the prior year, primarily as a result of COVID-19 (reduced spending due to reduced people on campus as well as reduced travel).

Overall, total expenses are \$38.836M, \$5.355M less than the prior year.

Net Revenues less Expenses:

As of period eight, net revenues less expenses total \$14.261M, an increase of \$8.290M 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 \$3.654M, primarily due to an approximate \$2M decrease in incidental fees, \$1M in health service fees, and \$300K decrease in recreation center building fees due to approximately 95% of classes being delivered online (resulting in on-campus fees not being assessed; IFC implemented a winter term fee of \$150 for all students regardless of modality). Sales and Services are down \$4.610M from the prior period, primarily due to Housing being at about 50% of normal occupancy resulting in fewer revenues for Campus Dining as well, and decreased bookstore revenues.

Altogether, total revenues are \$6.063M, \$8.669M less than the prior year.

Expenses:

Personnel expenses are \$2.405M less than the prior period and are reflective of furlough savings, savings resulted from employees placed on Leave Without Pay, and position eliminations. Service & Supplies are \$4.042M less than the prior year, due to a decrease in auxiliary activities this year due to COVID-19. Overall, total expenses are \$9.692M, \$6.447M less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses are negative \$3.630M, a decrease of \$2.221M compared to prior year.

FY21 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 eight months of operations and projections for the remaining four months of FY21. Projections for periods nine through twelve are calculated by applying actual FY20 period eight realization/burn rates to FY21 period eight revenues and expenses.

Education & General Fund:

Revenues:

Total revenues are projected to be \$69.579M, \$468K less than the FY21 adjusted budget. Altogether, net student fees & tuition are projected to be \$439K less than the

adjusted budget. Tuition is projected to be \$36.993M, \$1.197M less than the adjusted budget due to a continued decline in enrollment; spring term tuition revenues are calculated assuming 10% attrition from winter term based on actual attrition from fall to winter term being 8.6% and current spring registration levels (the adjusted budget assumed 6% attrition between terms). Fees are projected to be \$8.033M, a \$1.208M increase over the adjusted budget; the adjusted budget for fees was built on the assumption that spring term would return to mostly in-person delivery, while the projection is reflective of spring term continuing to be primarily online resulting in increased online course fees. Fee remissions are projected to be at \$7.5M, \$450K over the adjusted budget; financial aid is continuing to work on adjustments.

Expenses:

Total expenses are projected to be \$64.618M, \$1.639M less than the FY21 adjusted budget. Personnel is projected to be \$56.416M, \$781K less than the adjusted budget. This projection is built on the assumption that the remaining four months of payroll for the year will be equivalent to January (since February is a shorter month). Service and supplies are cautiously projected to be \$7.882M, \$967K less than the adjusted budget; internal sales and external contracts continue to fluctuate with timing differences due to COVID.

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. Other activities include auxiliary support of \$3M, comprised of a one-time transfer to Incidental Fee of \$1M for fall term and an additional projected \$2M transfer to auxiliaries for support due to COVID.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$1.124M versus the FY21 adjusted budget of a loss of \$1.303M. Projected year end fund balance is \$5.116M, or 7.35% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$8.704M, \$4.498M less than the FY21 adjusted budget. Enrollment fees are projected to be \$1.203M, \$1.209M less than the adjusted budget; the adjusted budget for Incidental fee and Health Services fee assumed that spring term would return to a more normal delivery format (resulting in more on-campus fees assessed). Sales and services are projected to be \$4.982M, \$4.209M less than the adjusted budget; this is due primarily to decreased revenues in campus dining and the bookstore.

Expenses:

Total expenses are projected to be \$14.023M, \$5.669M less than the adjusted budget. Personnel is projected to be \$7.885M, \$1.358M less than the adjusted budget. Service and supplies are projected to be \$6.138M, \$4.311M less than the adjusted budget. The projected savings primarily correlate to decreased activity in campus dining and the bookstore.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$1.232M compared to the FY21 adjusted budget of a loss of \$3.411M. Projected year end fund balance is \$5.893M. Note, although the projected fund balance as a percentage of revenues is increasing to 67.70%, this is not a fair measure to compare to other years due to the dramatic decrease in this year's revenues.

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 February 28, 2021.

Western Oregon University
P8 YTD Actual to Actual Variance

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

As of February 28, 2021
For the Fiscal Year Ended June 30, 2021

	P8 YTD FY20	P8 YTD FY21	Variance	Note
	Actuals	Actuals		
Education & General Fund				
Revenues				
Tuition	27,642	26,082	(1,560)	Decreased enrollment.
Fees	1,181	5,864	4,683	FY21 reflects \$4.9M of online course fee revenue.
Less: Fee Remissions	(4,404)	(4,873)	(469)	Reflective of two years of students qualifying for WOU Supplemental and Transfer awards.
Net Student Fees & Tuition	24,419	27,072	2,654	
Government Resources & Allocations	23,083	24,317	1,234	HECC higher allocation.
Gift Grants and Contracts	467	349	(118)	
Other Revenue	2,552	1,718	(834)	
Total Revenues	50,521	53,457	2,935	
Expenses				
Personnel	40,016	35,163	(4,854)	FY20 includes \$783K of retirement window payment; FY21 reflects personnel savings efforts.
Service & Supplies	4,126	3,635	(491)	
Capital Expense	49	38	(11)	
Total Expenses	44,191	38,836	(5,355)	
Net Revenues less Expenses	6,331	14,621	8,290	

Western Oregon University
P8 YTD Actual to Actual Variance

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

As of February 28, 2021
For the Fiscal Year Ended June 30, 2021

	<u>P8 YTD FY20</u>	<u>P8 YTD FY21</u>	<u>Variance</u>	<u>Note</u>
	<u>Actuals</u>	<u>Actuals</u>		
Auxiliary Enterprises Funds				
Revenues				
Enrollment Fees	4,486	832	(3,654)	Approx. \$2M decrease in incidental fees, \$1M in health service, \$300K in recreation building fee.
Sales and Services	8,798	4,188	(4,610)	
Other Revenue	1,447	1,043	(404)	Reflects decrease in housing/dining/other auxiliary revenues.
Total Revenues	<u>14,731</u>	<u>6,063</u>	<u>(8,669)</u>	
Expenses				
Personnel	7,665	5,259	(2,405)	FY21 reflects personnel savings efforts. Reflects decrease in auxiliary activity.
Service & Supplies	8,475	4,433	(4,042)	
Capital Expense	-	-	-	
Total Expenses	<u>16,140</u>	<u>9,692</u>	<u>(6,447)</u>	
Net Revenues less Expenses	(1,408)	(3,630)	(2,221)	
Designated Operations, Service Departments, Clearing Funds				
Revenues				
Enrollment Fees	452	400	(52)	
Sales and Services	112	58	(54)	
Other Revenue	1,432	1,078	(354)	
Total Revenues	<u>1,996</u>	<u>1,536</u>	<u>(460)</u>	
Expenses				
Personnel	721	607	(114)	
Service & Supplies	786	555	(231)	
Capital Expense	107	0	(107)	
Total Expenses	<u>1,615</u>	<u>1,162</u>	<u>(453)</u>	
Net Revenues less Expenses	381	374	(8)	

Western Oregon University
P8 Percent Actual Variance Analysis Education & General Fund
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of February 28, 2021
For the Fiscal Year Ended June 30, 2021

	P8 FY20 Realization/ Burn Rate %	P8 FY21 % of FY21 Proposed Adjusted Budget	Variance
Education & General Fund			
Revenues			
Student Fees & Tuition (net of remissions)	69.90%	71.31%	1.41%
Government Resources & Allocations	83.89%	83.91%	0.02%
Gift Grants and Contracts	62.65%	69.76%	7.11%
Other Revenue	68.32%	66.08%	-2.24%
Total Revenues	75.48%	76.32%	0.84%
Expenses			
Personnel	64.93%	61.48%	-3.45%
Service & Supplies	52.83%	41.08%	-11.74%
Capital Expense	11.84%	18.05%	6.21%
Total Expenses	63.26%	58.61%	-4.65%

Western Oregon University
P8 Percent Actual Variance Analysis Education & General Fund
(Unaudited, non-GAAP, for management purposes only)
(in thousands)

As of February 28, 2021
For the Fiscal Year Ended June 30, 2021

	P8 FY20 Realization/ Burn Rate %	P8 FY21 % of FY21 Proposed Adjusted Budget	Variance
Auxiliary Enterprises Funds			
Revenues			
Enrollment Fees	69.15%	34.49%	-34.66%
Sales and Services	84.06%	45.56%	-38.50%
Other Revenue	68.64%	65.23%	-3.42%
Total Revenues	77.28%	45.92%	-31.36%
Expenses			
Personnel	66.70%	56.90%	-9.80%
Service & Supplies	72.23%	42.43%	-29.80%
Capital Expense	100.00%	100.00%	0.00%
Total Expenses	69.49%	49.22%	-20.27%
Designated Operations, Service Departments, Clearing Funds			
Revenues			
Enrollment Fees	427.76%	353.66%	-74.10%
Sales and Services	77.41%	45.77%	-31.64%
Other Revenue	68.39%	52.98%	-15.40%
Total Revenues	85.15%	67.54%	-17.61%
Expenses			
Personnel	64.80%	61.63%	-3.17%
Service & Supplies	74.65%	42.29%	-32.35%
Capital Expense	1432.74%	100.00%	-1332.74%
Total Expenses	74.29%	50.57%	-23.72%

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

As of February 28, 2021
 For the Fiscal Year Ended June 30, 2021

	FY20 Year-End Actuals	FY21 Projected Year-End	FY21 Adjusted Budget	Variance FY21 Projected Year-End to Adjusted Budget	Note
Education & General Fund					
Recurring Operating Activities					
Student Fees & Tuition (net of remissions)	34,935	37,526	37,965	(439)	Includes \$7.5M of fee remissions, FA continues working on adjustments for spring. Spring enrollment projections were adjusted to account for 10% attrition from winter term. Projection is based on amount provided by HECC.
Government Resources & Allocations	27,516	28,982	28,982	-	
Gift Grants and Contracts	745	557	500	57	
Other Revenue	3,736	2,515	2,600	(85)	
Total Revenues	66,933	69,579	70,047	(468)	
Personnel	61,630	56,416	57,198	781	Projection assumes that the remaining months are the same as January's payroll.
Service & Supplies	7,810	7,882	8,849	967	Continuuung to reconcile internal sales and external contract timing differences due to COVID.
Capital Expense	411	320	210	(110)	
Total Expenses	69,852	64,618	66,256	1,639	
Net Transfers	2,975	3,086	3,094	8	Projection is based on transfer schedule.
Total Expenses and Transfers	72,827	67,703	69,350	1,647	
Operating Net Revenues less Expenses	(5,894)	1,876	697	1,179	
Other Activities					
Auxiliary Support	-	(3,000)	(2,000)	(1,000)	
Investment in Salem Building	(2,698)	-	-	-	
CARES Reimbursement for Salary	1,800	-	-	-	
Retirement Window Payment	(783)	-	-	-	
Other	(213)	-	-	-	
Total Other Activities	(1,893)	(3,000)	(2,000)	(1,000)	
Total Net Revenues less Expenses	(7,787)	(1,124)	(1,303)	179	
Additions/Deductions to Fund Balance	1,072	-	-		
Fund Balance at the Beginning of the Year	12,956	6,240	6,240		
Fund Balance at the End of the Year	6,240	5,116	4,937		
Fund Balance as a Percentage of Revenues	9.32%	7.35%	7.05%		

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

As of February 28, 2021
For the Fiscal Year Ended June 30, 2021

	FY20 Year-End Actuals	FY21 Projected Year-End	FY21 Adjusted Budget	Variance FY21 Projected Year-End to Adjusted Budget	Note
Auxiliary Enterprises Funds					
Enrollment Fees	6,488	1,203	2,412	(1,209)	
Sales and Services	10,466	4,982	9,191	(4,209)	
Other Revenue	2,108	2,519	1,599	920	
Total Revenues	19,062	8,704	13,202	(4,498)	
Personnel	11,491	7,885	9,242	1,358	
Service & Supplies	11,734	6,138	10,449	4,311	
Capital Expense	-	-	-	-	
Total Expenses	23,225	14,023	19,692	5,669	
Net Transfers	(3,346)	(4,087)	(3,079)	1,008	Projection is based on transfer schedule.
Total Expenses and Transfers	19,879	9,936	16,613	6,677	
Net Revenues less Expenses	(817)	(1,232)	(3,411)	2,180	
Additions/Deductions to Fund Balance	(2,173)	(2,431)			
Fund Balance at the Beginning of the Year	12,546	9,556			
Fund Balance at the End of the Year	9,556	5,893			
Fund Balance as a Percentage of Revenues	50.13%	67.70%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	106	94	113	(20)	
Sales and Services	144	75	127	(52)	
Other Revenue	2,094	1,576	2,034	(458)	
Total Revenues	2,344	1,744	2,274	(530)	
Personnel	1,113	937	985	48	
Service & Supplies	1,053	743	1,312	568	
Capital Expense	8	-	-	-	
Total Expenses	2,173	1,680	2,297	617	
Net Transfers	(225)	(8)	1	9	Projection is based on transfer schedule.
Total Expenses and Transfers	1,949	1,672	2,298	626	
Net Revenues less Expenses	396	72	(24)	419	
Additions/Deductions to Fund Balance	(365)	(353)			
Fund Balance at the Beginning of the Year	2,951	2,982			
Fund Balance at the End of the Year	2,982	2,702			
Fund Balance as a Percentage of Revenues	127.21%	154.88%			

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									(a)		(b)		
Actual									8,218			8,218	
Upcoming											8,893	8,893	
Transfers Out E&G					(c)	(d)	(e)	(f)		(g)	(b)		
Actual							1,000,000					1,000,000	
Upcoming					150,000	2,772,874		2,000,000		175,000	4,804	5,102,678	
Transfers In AUX	(c)	(d)	(e)	(f)							(a)		
Actual			1,000,000								3,499	1,003,499	
Upcoming	150,000	2,772,874		2,000,000								4,922,874	
Transfers Out AUX					(h)					(i)	(j)		
Actual												-	
Upcoming					86,563					133,838	1,618,801	1,839,202	
Transfers In DO, SD											(a)		
Actual											16,358	16,358	
Upcoming												-	
Transfers Out DO, SD	(a)												
Actual	8,218												8,218
Upcoming													-

Type	Description
(a)	Misc. transfers
(b)	Endowment matches
(c)	Child Development Center support
(d)	Athletic operations support
(e)	Fall Incidental Fee support
(f)	Potential Auxiliary 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