

Finance & Administration Committee (FAC), May 25, 2021

Management Report

Period 10 Actual to Actual Variance Report:

This report provides ten months of actual revenue and expense activity (as of April 30, 2021) as compared to the same period in prior fiscal year.

Education & General Fund:

Revenues:

Tuition revenues are \$2.521M less than the prior year due to an approximate 7.5% decrease in fall term, 9.7% decrease in winter term, and 10.5% in spring term enrollments (compared to the respective term in the prior year). Fees are \$6.693M more than the prior year; online course fee revenues total approximately \$6.9M (with other fees trailing slightly behind the prior year due to decreased enrollment). As a reminder, this year the structure of online tuition was changed to be the same rate as in-person tuition in an effort to increase transparency for our students (a reduction in rate for residents, an increase in rate for WUE and non-residents), with the remaining differential being designated as an online course fee (\$53 per credit). With 95% of courses being delivered online due to COVID-19, this resulted in a significant amount of online course fee revenues this year, however there is a corresponding decrease to auxiliary fee revenue due to the lack of on-campus fees (building fees, health service, and historically – the incidental fee) being assessed, which will be seen below. Fee remissions have increased \$562K from the prior year. Altogether, this results in net tuition and fees being \$3.609M more than the prior year.

Government resources & allocations have increased by \$1.474M 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 (49% of the PUSF is distributed in year 1, and 51% in year 2) of the 2019-21 biennium.

Gift, grants, and contracts are \$198K more than the prior year, primarily due to increased indirect revenues resulting from increased grant spending. Other revenues are \$1.077M less than the prior year, primarily due to a decrease in interest income from the Public University Fund and decreases in interest and collection charges assessed on student accounts (as a result of the continued effort to write-off old, delinquent student account balances).

Overall, total revenues are \$69.799M, \$4.204M more than the prior year.

Expenses:

Personnel expenses are \$6.014M less than the prior year. In July 2019, the second and final retirement window program payment of \$783K was made and is reflected in the

P10 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 \$126K 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 \$50.262M, \$6.204M less than the prior year.

Net Revenues less Expenses:

As of period ten, net revenues less expenses total \$19.537M, an increase of \$10.408M 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 \$5.046M, primarily due to an approximate \$3M decrease in incidental fees, \$1.5M in health service fees, and \$500K 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 and a spring term fee of \$125 for all students regardless of modality, whereas the original fee would have been assessed only on in-person credit hours at a rate of \$395 for students taking 6 or more credits, or \$265 for students taking 1-5 credits). Sales and Services are down \$4.23M 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 \$7.955M, \$9.791M less than the prior year.

Expenses:

Personnel expenses are \$2.979M less than the prior year and are reflective of furlough savings, savings resulted from employees placed on Leave Without Pay, and position eliminations. Service & Supplies are \$4.437M less than the prior year, directly correlated to the decrease in auxiliary activities this year due to COVID-19. Overall, total expenses are \$12.321M, \$7.416M less than the prior year.

Net Revenues less Expenses:

Net revenues less expenses are negative \$4.366M, a decrease of \$2.376M 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 ten months of operations and projections for the remaining two months of FY21. Projections for periods eleven through twelve are calculated by applying actual FY20 period ten realization/burn rates to FY21 period ten revenues and expenses.

Education & General Fund:

Revenues:

Total revenues are projected to be \$70.601M, \$554K more than the FY21 adjusted budget. Altogether, net student fees & tuition are projected to be \$38.11M, \$145K more than the adjusted budget. While tuition is projected to be \$37.385M, \$805K less than the adjusted budget of \$38.19M due to higher attrition rates between terms (the budget assumed 6% attrition between terms, while actual attrition was 8.6% from fall to winter and 6.9% from winter to spring), fees are projected to be \$8.225M, \$1.4M more than the adjusted budget (the adjusted budget for fees included \$5.5M of online course fee revenue which reflected an assumption that spring term would return to mostly in-person delivery, while the projection includes \$7.1M of online course fee revenue that reflects that spring term continued to be primarily online). Fee remissions are projected to be at \$7.5M, \$450K over the adjusted budget. Gifts, grants, and contracts are projected to be \$963K, \$463K more than the adjusted budget.

Expenses:

Total expenses are projected to be \$64.538M, \$1.718M less than the FY21 adjusted budget. Personnel is projected to be \$56.2M, \$998K less than the adjusted budget. Service and supplies are cautiously projected to be \$8.101M, \$748K 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:

Other activities include items that are one-time in nature. Included in FY21 projected year end is a one-time transfer to Incidental Fee of \$1.054M (\$1M subsidy for fall term and \$54K reimbursement for winter term incidental fees for graduate students). Also

included is the anticipated CARES II reimbursement of \$1.9M for payroll expense, and \$500K to mitigate student debt/reimburse fee remissions.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a gain of \$4.221M versus the FY21 adjusted budget of a loss of \$1.303M. Projected year end fund balance is \$10.461M, or 14.82% of projected revenues.

Auxiliary Enterprises:

Revenues:

Total revenues are projected to be \$8.742M, \$4.46M less than the FY21 adjusted budget. Enrollment fees are projected to be \$1.415M, \$997K 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 \$5.895M, \$3.296M 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 \$14.513M, \$5.179M less than the adjusted budget. Personnel is projected to be \$7.952M, \$1.291M less than the adjusted budget. Service and supplies are projected to be \$6.561M, \$3.888M 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 \$3.63M compared to the FY21 adjusted budget of a loss of \$3.411M. Projected year end fund balance is \$5.199M, which includes a projected \$1.7M of CARES funds for auxiliaries (\$1.5M to assist with housing/dining deficit and \$200K to assist with Student Health & Counseling Center). Note, although the projected fund balance as a percentage of revenues is increasing to 59.47%, 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 April 30, 2021.

Western Oregon University
P10 YTD Actual to Actual Variance

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

As of April 30, 2021
For the Fiscal Year Ended June 30, 2021

	P10 YTD FY20	P10 YTD FY21	Variance	Note
	Actuals	Actuals		
Education & General Fund				
Revenues				
Tuition	39,406	36,885	(2,521)	Decreased enrollment.
Fees	1,332	8,025	6,693	FY21 reflects \$6.9M of online course fee revenue.
Less: Fee Remissions	(6,483)	(7,045)	(562)	Reflective of two years of students qualifying for WOU Supplemental and Transfer awards.
Net Student Fees & Tuition	34,256	37,865	3,609	
Government Resources & Allocations	27,516	28,990	1,474	HECC higher allocation.
Gift Grants and Contracts	465	663	198	
Other Revenue	3,358	2,281	(1,077)	
Total Revenues	65,594	69,799	4,204	
Expenses				
Personnel	51,609	45,595	(6,014)	FY20 includes \$783K of retirement window payment; FY21 reflects personnel savings efforts.
Service & Supplies	4,705	4,579	(126)	
Capital Expense	153	88	(65)	
Total Expenses	56,466	50,262	(6,204)	
Net Revenues less Expenses	9,128	19,537	10,408	

Western Oregon University
P10 YTD Actual to Actual Variance

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

As of April 30, 2021
For the Fiscal Year Ended June 30, 2021

	P10 YTD FY20	P10 YTD FY21	Variance	Note
	Actuals	Actuals		
Auxiliary Enterprises Funds				
Revenues				
Enrollment Fees	6,453	1,407	(5,046)	Approx. \$3M decrease in incidental fees, \$1.5M in health service, \$500K in recreation building fee.
Sales and Services	9,686	5,456	(4,230)	
Other Revenue	1,607	1,092	(515)	
Total Revenues	17,746	7,955	(9,791)	Reflects decrease in housing/dining/other auxiliary revenues.
Expenses				
Personnel	9,673	6,694	(2,979)	FY21 reflects personnel savings efforts. Reflects decrease in auxiliary activity.
Service & Supplies	10,064	5,627	(4,437)	
Capital Expense	-	-	-	
Total Expenses	19,737	12,321	(7,416)	
Net Revenues less Expenses	(1,991)	(4,366)	(2,376)	
Designated Operations, Service Departments, Clearing Funds				
Revenues				
Enrollment Fees	370	270	(101)	
Sales and Services	118	84	(34)	
Other Revenue	1,622	1,371	(251)	
Total Revenues	2,110	1,725	(385)	
Expenses				
Personnel	890	761	(129)	
Service & Supplies	919	700	(219)	
Capital Expense	78	0	(78)	
Total Expenses	1,887	1,462	(425)	
Net Revenues less Expenses	223	263	40	

Western Oregon University

P10 Percent Actual Variance Analysis

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

(in thousands)

As of April 30, 2021

For the Fiscal Year Ended June 30, 2021

	P10 FY20 Realization/ Burn Rate %	P10 FY21 % of FY21 Adjusted Budget	Variance
Education & General Fund			
Revenues			
Student Fees & Tuition (net of remissions)	98.05%	99.74%	1.68%
Government Resources & Allocations	100.00%	100.03%	0.03%
Gift Grants and Contracts	62.36%	132.56%	70.20%
Other Revenue	89.88%	87.73%	-2.14%
Total Revenues	98.00%	99.65%	1.65%
Expenses			
Personnel	83.74%	79.72%	-4.02%
Service & Supplies	60.24%	51.74%	-8.49%
Capital Expense	37.20%	42.01%	4.81%
Total Expenses	80.84%	75.86%	-4.98%

Western Oregon University

P10 Percent Actual Variance Analysis

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

(in thousands)

As of April 30, 2021

For the Fiscal Year Ended June 30, 2021

	P10 FY20 Realization/ Burn Rate %	P10 FY21 % of FY21 Adjusted Budget	Variance
Auxiliary Enterprises Funds			
Revenues			
Enrollment Fees	99.46%	58.34%	-41.13%
Sales and Services	92.54%	59.36%	-33.18%
Other Revenue	76.26%	68.30%	-7.95%
Total Revenues	93.10%	60.25%	-32.84%
Expenses			
Personnel	84.18%	72.42%	-11.75%
Service & Supplies	85.77%	53.85%	-31.91%
Capital Expense	100.00%	100.00%	0.00%
Total Expenses	84.98%	62.57%	-22.41%
Designated Operations, Service Departments, Clearing Funds			
Revenues			
Enrollment Fees	350.38%	238.44%	-111.93%
Sales and Services	81.60%	66.14%	-15.46%
Other Revenue	77.45%	67.40%	-10.05%
Total Revenues	90.01%	75.84%	-14.17%
Expenses			
Personnel	79.94%	77.26%	-2.68%
Service & Supplies	87.35%	53.40%	-33.95%
Capital Expense	1033.33%	100.00%	-933.33%
Total Expenses	86.82%	63.62%	-23.20%

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

As of April 30, 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	38,110	37,965	145	Includes \$7.5M of fee remissions. Projection reflects actual amount received.
Government Resources & Allocations	27,516	28,990	28,982	9	
Gift Grants and Contracts	745	963	500	463	
Other Revenue	3,736	2,538	2,600	(62)	
Total Revenues	66,933	70,601	70,047	554	
Personnel	61,630	56,200	57,198	998	Continuuung to reconcile internal sales and external contract timing differences due to COVID.
Service & Supplies	7,810	8,101	8,849	748	
Capital Expense	411	237	210	(27)	
Total Expenses	69,852	64,538	66,256	1,718	Projection is based on transfer schedule.
Net Transfers	2,975	3,187	3,094	(94)	
Total Expenses and Transfers	72,827	67,725	69,350	1,625	
Operating Net Revenues less Expenses	(5,894)	2,875	697	2,179	
Other Activities					
Auxiliary Support	-	(1,054)	(2,000)	946	Includes \$1.9M for payroll reimbursement, and \$500K to mitigate student debt/reimburse fee remissions.
Investment in Salem Building	(2,698)	-	-	-	
CARES Reimbursement	1,800	2,400	-	2,400	
Retirement Window Payment	(783)	-	-	-	
Other	(213)	-	-	-	
Total Other Activities	(1,893)	1,346	(2,000)	3,346	
Total Net Revenues less Expenses	(7,787)	4,221	(1,303)	5,524	
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	10,461	4,937		
Fund Balance as a Percentage of Revenues	9.32%	14.82%	7.05%		

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

As of April 30, 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	1,415	2,412	(997)	
Sales and Services	10,466	5,895	9,191	(3,296)	
Other Revenue	2,108	1,432	1,599	(167)	
Total Revenues	19,062	8,742	13,202	(4,460)	
Personnel	11,491	7,952	9,242	1,291	
Service & Supplies	11,734	6,561	10,449	3,888	
Capital Expense	-	-	-	-	
Total Expenses	23,225	14,513	19,692	5,179	
Net Transfers	(3,346)	(2,141)	(3,079)	(937)	Projection is based on transfer schedule.
Total Expenses and Transfers	19,879	12,372	16,613	4,241	
Net Revenues less Expenses	(817)	(3,630)	(3,411)	(218)	
CARES Funds	-	1,700			
Additions/Deductions to Fund Balance	(2,173)	(2,427)			
Fund Balance at the Beginning of the Year	12,546	9,556			
Fund Balance at the End of the Year	9,556	5,199			
Fund Balance as a Percentage of Revenues	50.13%	59.47%			
Designated Operations, Service Departments, Clearing Funds					
Enrollment Fees	106	77	113	(36)	
Sales and Services	144	103	127	(24)	
Other Revenue	2,094	1,770	2,034	(264)	
Total Revenues	2,344	1,950	2,274	(324)	
Personnel	1,113	952	985	33	
Service & Supplies	1,053	802	1,312	510	
Capital Expense	8	-	-	-	
Total Expenses	2,173	1,754	2,297	543	
Net Transfers	(225)	(9)	1	9	Projection is based on transfer schedule.
Total Expenses and Transfers	1,949	1,745	2,298	552	
Net Revenues less Expenses	396	205	(24)	419	
Additions/Deductions to Fund Balance	(365)	(347)			
Fund Balance at the Beginning of the Year	2,951	2,982			
Fund Balance at the End of the Year	2,982	2,840			
Fund Balance as a Percentage of Revenues	127.21%	145.64%			

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)	(a)	(f)	(b)	
Actual						1,054,300	588	226,162		1,281,050
Upcoming				150,000	2,772,874			50,000	4,804	2,977,678
Transfers In AUX	(c)	(d)	(e)						(a)	
Actual			1,054,300						3,499	1,057,799
Upcoming	150,000	2,772,874								2,922,874
Transfers Out AUX				(g)				(h)	(i)	
Actual										-
Upcoming				86,563				133,838	1,618,801	1,839,202
Transfers In DO, SD	(a)								(a)	
Actual	588								16,358	16,946
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 (\$1M) & graduate winter incidental fee subsidy (\$54K)
(f)	Small-Scale Energy Loan Program debt service
(g)	Incidental fee misc. transfers out
(h)	Student Engagement & Campus Recreation transfers to building/equipment reserves
(i)	Transfers out from Housing and Recreation Center Building Fee for debt service payments