

FIRST QUARTER FINANCIAL MANAGEMENT REPORT – FY24



Eastern Oregon University

Board of Trustees

November 15, 2023

QUARTERLY MANAGEMENT REPORT

This report is prepared for internal management review and planning purposes. The quarterly management report summarizes resources and expenses at EOU for the major fund types. Fund types include: Education and General (E&G), Auxiliary Enterprise Funds and Designated Operations and Service Departments, all of which are defined herein.

The quarterly management report is provided to help guide and inform future decision making, by providing information on current and historical trends across the major funds. All reports within this document contain FY24 budgets for revenue, expenses and transfers as well as a quarterly review of current year actuals to FY23 actuals related to the major fund types.

The quarterly management report compares financial data year over year. The quarterly management report from each quarter of the current year is compared to the report of the quarter of the previous year to gauge progress. The quarterly management report is used to identify financial issues from one year to the next, and allows EOU to address any issues prior to the next quarter and/or year-end.

Q1 SUMMARY

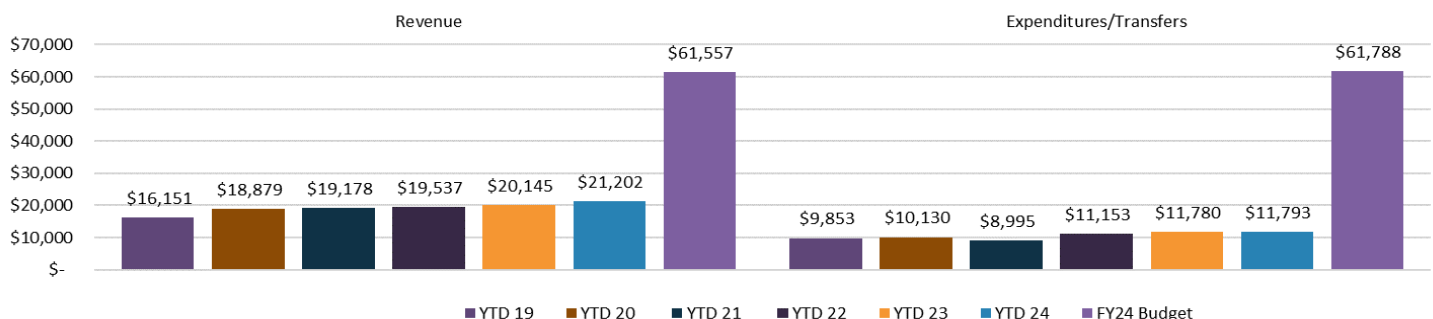
This report summarizes Education and General operating expense and revenue budgets for fiscal year 2024. The Q1 FY24 Management Report budget reflects the final budget, rather than the FY23 preliminary budget approved in May, 2023.

The final EOU all-funds operating revenue budget is \$61.6M and the expenditure/transfer budget is \$64.3M, this does not include the planned savings/reductions of \$2.5M, which brings the total budget down to 61.8M for FY24.

At the close of Q1, EOU had received \$21.2M in revenue or 34.4% of the budget and recorded expenses and transfers of \$11.5M or 18.6% of the budget. Revenue increased 5.24% over the prior year and expenditures are down 2.5% or \$266K. Labor expenses are up \$169K or 2.42%. While it is early in the fiscal year, there are no financial concerns in any of the funds.

Graphs are included with each fund type for a visual of the changes in revenue and expenditures/transfers year over year and a comparison with the annual budget. Additional details regarding the variances of all funds are included at the end of the report. *All reports exclude depreciation.*

Q1 - FY24
Comparison by Year
All Funds Revenue and Expenditures/Transfers
in thousands



The Education and General revenue budget consist of state appropriations, tuition and student fees, and miscellaneous revenue. The expense budget supports activities and services that are essential to the university, including instruction, research, student services, libraries, administration, information technology and maintenance of the campus physical plant.

On October 24, 2023 the FY24 final operating budget was reviewed by the EOU Board of Trustees Finance and Administration Committee for recommendation to the EOU Board of Trustees for approval at the November meeting.

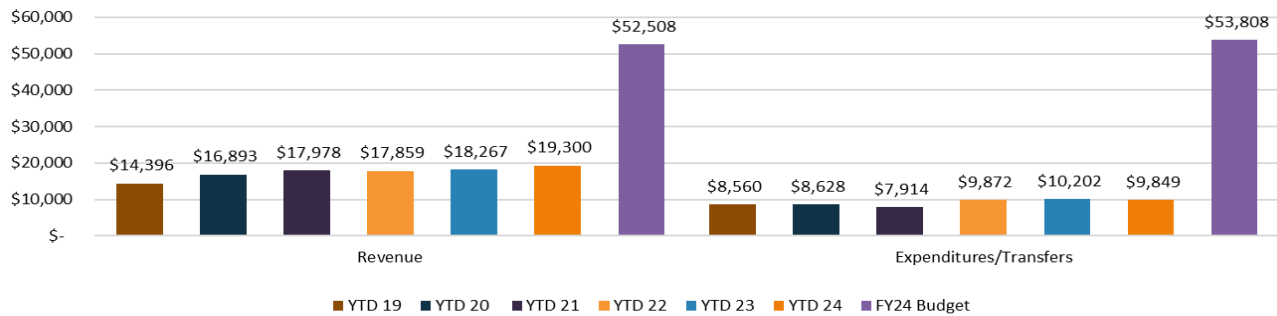
The E&G revenue budget includes state allocations from Student Success and Completion Model, Engineering and Technology Support Funds, Energy Loan Payments and the additional funding for the Benefits Navigator position and TRU + PSU Sustainability Funding, as well as the Compact of Free Association (COFA) Islander student tuition differential reimbursement. In addition to the revenue received as part of the state allocation, EOU retains tuition and fees generated by students, as well as receives revenue through indirect cost recoveries from grants and contracts, interest and other revenue. The revenue budget also includes fee remission allocations of \$3.3M. Fee remissions appear in the financial reports as a reduction of revenue and are included in the student fee category.

The E&G expense/transfer budget is comprised of salaries and other payroll expenses (ope), services and supplies. Net transfers include transfers, which offset overall expenses. EOU's largest category of expense is personnel, consisting of approximately 74.8% of the overall E&G budget. Direct expenses, or service and supplies, include utility and physical plant costs, general office supplies, professional services contracts, information technology services, as well as services payments for support provided by University Shared Services Enterprise (USSE).

The expense budget includes some level of compensation increases for all classifications of employees. The budget also includes projected temporary savings or possible increases in revenue of \$2.5M.

Based on the final revenue and expenditure budget, EOU will end the year with a decrease of \$1.3M to the E&G fund balance. This will result in an ending fund balance of \$10.6M or 20.1% of current year operating revenue. This amount equates to 2.36 months of operating expenses.

Q1-FY24
Comparison by Year
E&G Revenue and Expenditures/Transfers
in thousands



Year to Date Variances over FY2023:

At the end of Q1, EOU had received 36.7% of the budgeted revenue and had used 18.3% of the expenditure budget. Revenue is up 5.66%. Student Fee revenue is up 5% or \$488K from the prior year, this includes additional fee remissions in FY24. State allocations are up \$603K over prior year, this increase does not include any FY24 settle up. It does include a partial distribution of the TRU + PSU Sustainability Funding. The total expenditures are down 3% over the prior year. Average expenditures per month during the first quarter were \$3.3M

AUXILIARY ENTERPRISES

Auxiliary Services include services that are essential to the support of the university's academic programs. Auxiliary units are expected to generate sufficient revenue to cover all costs of operating and capital need, and are not supported by State allocation/funding. Departments such as Housing and Dining, Student Health Center, Parking Services, Athletics, General Rentals, the Integrated Services Building (ISB) and the Incidental Student Services Fee are considered Auxiliaries at EOU. Unless there is an agreement in place, Auxiliary enterprise units are required to pay an overhead fee to the campus for the support central services offered by the institution. The Auxiliary units are expected to have increases in both revenue and expenditures in FY24, the Auxiliary net operating (excluding depreciation) is expected to increase by \$930K by year end, excluding depreciation and the bond principal payment.

Housing and Dining Services provides services and support for students living on campus. There are two residence halls on campus, which have a total occupancy of 420. The facilities are comprised of suite style units, offering triple, double and single occupancy for students. Eastern Oregon University has a mandatory live on policy for all new freshman. The housing and dining fund have annual debt service payments until 2035. Dining Services is a contracted service operated by Sodexo. Sodexo operates all food services operations on the campus, including summer camp and catering service.

Intercollegiate Athletics Fund is also an auxiliary fund. This fund is the primary operational fund for all athletic operations for over 300 student athletes. The fund supports operational activities for the individual sports, intramural and the recreation center. Funds received from fundraising and camps are transferred into the auxiliary fund to cover the excess operational expenses when the student fee and athletic operations revenue generated does not cover the annual expenditures. In addition, EOU, Athletic personnel expenses, athletic trainers, soccer, wrestling, baseball and lacrosse expenses as well as post-season travel are funded through the E&G budget (\$3.0M). The revenue budget included an increase of \$211K over the prior fiscal

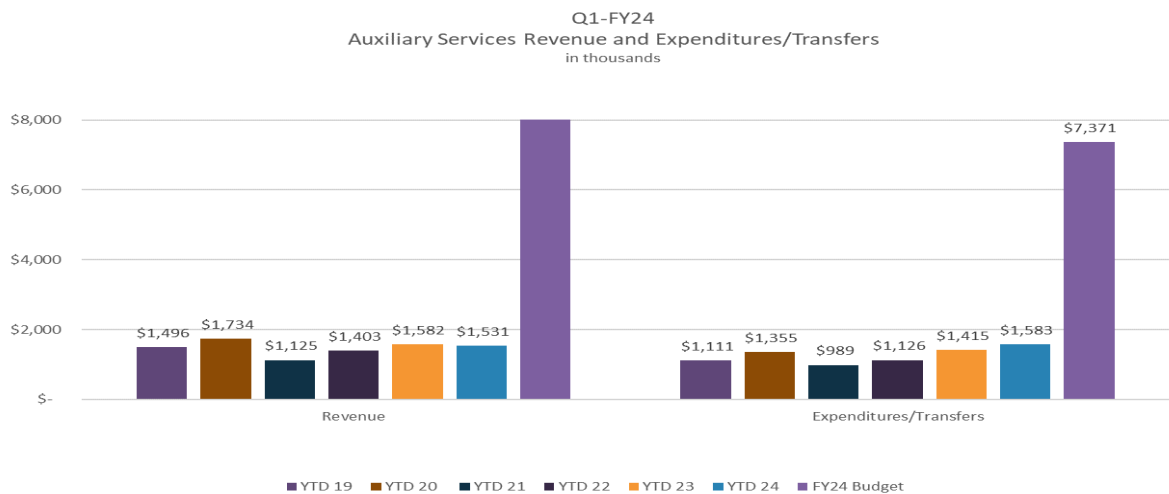
year for the sports lottery allocation. The student aid category of the auxiliary budget is primarily used for the distribution of student athlete and housing scholarships.

Student Health Center Operations is a self-support operation funding by revenue generated from the Student Health fee. Students enrolled in a total of at least 6 credits, when one or more of these credits is an “On-Campus” course, and all students living on campus or part of an athletic team are assessed the Student Health fee. Students pay a quarterly mandatory Health Service Fee that provides student access to the Student Health and Counseling Centers. The fee for 2023-24 is \$230.00 per term. The primary expenses in this fund are personnel costs related to the Counseling Center, the Oregon Health Sciences University contract, as well as funding for trainers (transfer out to Intercollegiate Athletics Fund).

Incidental Student Fee Fund supports institutional student programs that are beyond the academic mission of the institution. The incidental fee is assessed each term to all students taking “On-Campus” courses, and to all students living on campus or part of an athletic team. The fees in this fund are used for student union operations, student organizations, student governmental activities, and provides some support to athletics. The fee was increased and will be \$354 per term during 2023-24.

Parking Services is a self-support operation, which generates revenues through the sale of annual and quarterly parking permits, special events fees, and parking citations. Revenue generated is used for facility and route improvement, parking lot repair and maintenance, signage, and labor expenses. Parking permits were not increased in 2023-24.

General Rentals/ISB EOU has a long-term lease on the Integrated Services Building. The lease was structured to pay for maintenance and operations of the facility. EOU also leases facility space to OHSU and other campus partners



Q1 - Auxiliaries by Fund Type						
Auxiliaries by Fund	Revenue	Labor Expenses	Direct Expenses*	Transfers	Operating Net	
Housing	\$ 157,521	\$ 69,017	\$ 867,042	\$ -	\$ (778,538)	
Student Activities/Incidental Fees	\$ 398,555	\$ 80,201	\$ 73,946	\$ -	\$ 244,408	
Intercollegiate Athletics	\$ 400,305	\$ 30,164	\$ 318,264	\$ -	\$ 51,877	
Health Services	\$ 243,667	\$ 39,988	\$ 22,908	\$ -	\$ 180,771	
Parking Services	\$ 51,817	\$ 5,488	\$ 12,489	\$ -	\$ 33,840	
General Property Rentals	\$ 94,625	\$ -	\$ 7,570	\$ -	\$ 87,055	
Integrated Services Building	\$ 170,589	\$ 16,735	\$ 24,624	\$ -	\$ 129,230	
Other Auxiliaries	\$ 13,762		\$ 14,554	\$ -	\$ (792)	
Total Auxiliary Enterprises	\$ 1,530,841	\$ 241,593	\$ 1,341,397	\$ -	\$ (52,149)	

*Housing's Room and Board Revenue is held in a clearing account outside of the auxiliary fund until the end of each quarter, this results in the appearance of a negative net operating during the quarter.

Year to Date Variances over FY2023:

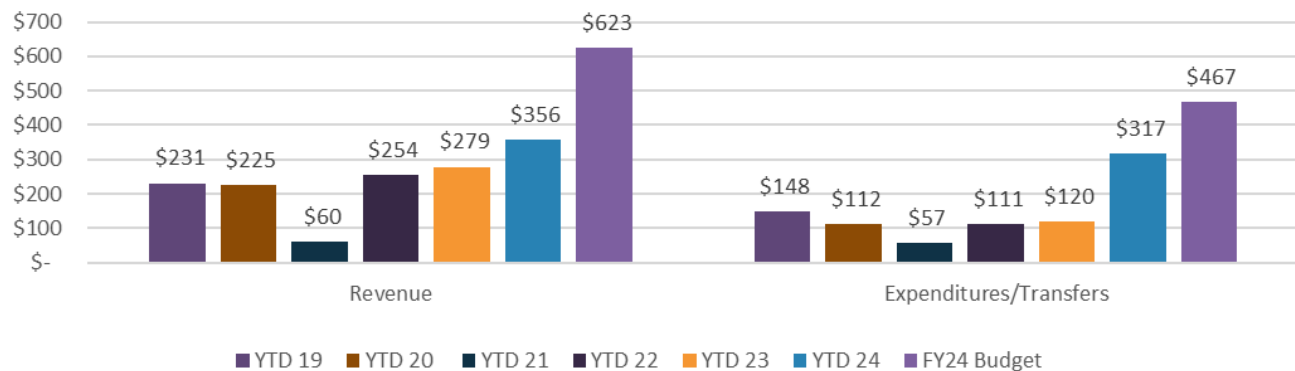
Revenue appears down 3%, however this is due to timing of payment from athletics to housing for summer camps. This will be corrected in Q2. Direct expenses are up 12% over prior year with the increase attributed to the Alikut project, which is reflected in the housing fund expenses. At the close of Q1, the Auxiliary funds had received 18.4% of their revenue budget and utilized 24% of their expenditure budget. This results in a net deficit of \$52,143 at the end of Q1.

DESIGNATED OPERATIONS

Designated Operations are university functions that provide self-support operations related to non-instructional activities such as field trips and community education. A Designated Operations fund will be established when approximately 80% or greater of a self-support activity is funded from external sources, including student fees for field trips.

EOU's Designated Operations Funds are academic department field trips, the copy center, athletic and academic camps, workshops and the BASALT Magazine. The total budgeted revenue for the Designated Operations Funds is \$623K, with expenditures of \$259K and net transfers out of \$103K. This fund is expected to increase the operating net by \$156K at year end.

Q1-FY24
Designated Operations Revenue and Expenditures/Transfers
in thousands



Q1-Designated Operations by Individual Fund					
Designated Operations	Revenue		Expenditures		Transfers
					Operating Net
Education/STM Workshops	\$	10,548	\$	5,439	\$ - \$ 5,109
Dean's Office Partnership	\$	-	\$	-	\$ - \$ -
Rural Engagement and Vitality Center	\$	3,352	\$	11,885	\$ - \$ (8,533)
LEAP HHP			\$	-	
Field Trips	\$	4,722	\$	3	\$ - \$ 4,719
Native American HS Visitations	\$	-	\$	90	\$ - \$ (90)
Cultural Heritage Arch. Research Tech Lab	\$	-	\$	-	\$ - \$ -
Basalt Magazine	\$	-	\$	-	\$ - \$ -
Library - EOIN	\$	(22,395)	\$	(713)	\$ - \$ (21,682)
Sundry Donations - Binney Fund	\$	-	\$	247	\$ - \$ (247)
Student Transportation Fee	\$	-	\$	-	\$ - \$ -
Wellness Fitness Program	\$	-	\$	-	\$ - \$ -
Mine Safety Training	\$	1,200	\$	9,859	\$ - \$ (8,659)
Property Hunters	\$	-	\$	-	\$ - \$ -
Athletic Camps/Clinics	\$	231,653	\$	4,988	\$ - \$ 226,665
Athletic Donations	\$	126,856	\$	7,201	\$ - \$ 119,655
Barnes and Noble Donations	\$	-	\$	-	\$ - \$ -
GO-STEM Programs	\$	-	\$	-	\$ - \$ -
Total Designated Operations Funds	\$	355,936	\$	38,999	\$ - \$ 316,937

Year to Date Variances over FY2023:

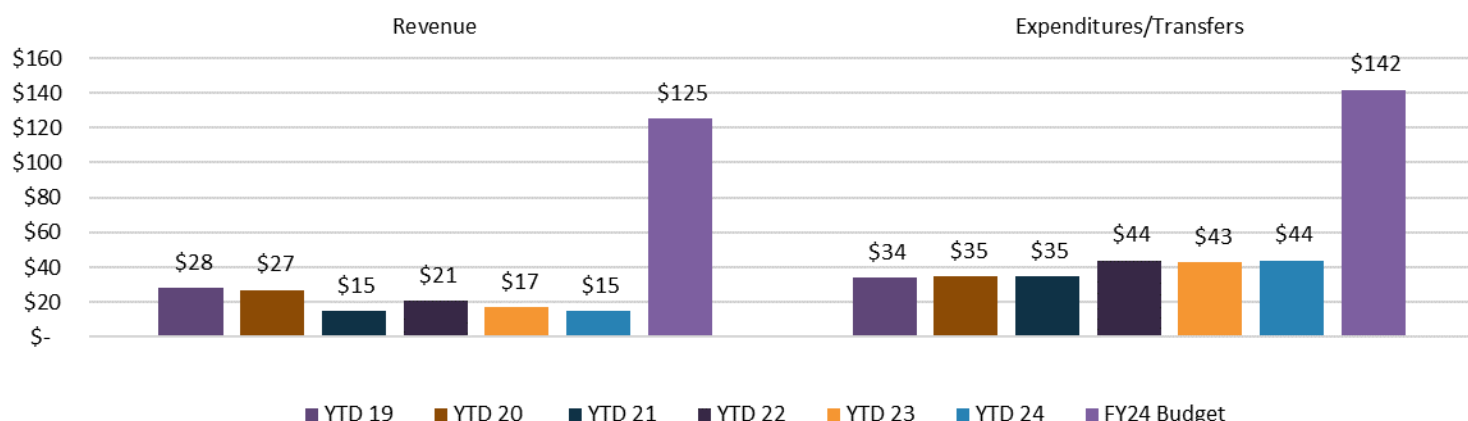
Designated Operations have a significant variance in revenue and expenditures from the prior year. Revenue is up due to increases in revenue from athletics and college of education workshops and appears down due to a timing of expenditure processing for athletic camps. This will be adjusted in Q2. Overall, the revenue is up 27% from the prior year. This fund has received 57.1% of the budgeted revenue and have spent 8% of the expenditure budget.

SERVICE DEPARTMENTS

A Service Department fund is established with the majority of the activity is internal to the university. Eastern's primary service department is the Telecommunications unit. Other EOU Serviced Department funds include surplus property, Audio Visual, and Motor Pool.

The FY23 revenue budget for these funds is \$125,060 and the expense budget is \$173,658, with additional net transfer in of \$31,719. The transfer in is from the E&G funds and subsidizes the EOU telecommunication support. Based on the current budget, Service Departments will decrease their operating net by \$17K in cash by year-end.

Q1 FY24 Comparison by Year
Service Departments Revenue and Expenditures/Transfers
in thousands



Q1-Service Departments by Individual Fund						
Service Departments	Revenue		Expenditures		Transfers	Operating Net
Audio Visual	\$	3,614	\$	6,650	\$ -	\$ (3,036)
Surplus Property	\$	360	\$	29	\$ -	\$ 331
Car Pool Services	\$	-	\$	4,783	\$ -	\$ (4,783)
Plotter Printing Services	\$	54	\$	4	\$ -	\$ 50
Telecommunication Services	\$	10,650	\$	31,886	\$ -	\$ (21,236)
Library Copy Services	\$	17	\$	1,005	\$ -	\$ (988)
Total Service Department Funds	\$	14,695	\$	44,357	\$ -	\$ (29,662)

Year to Date Variances over FY2023:

Accounting for any timing issues, the Service departments are trending in line with the FY24 budget projections. Revenue is down \$2,116 from the prior year and expenses have also decreased \$3,398. This is due to the discontinuation of the motor pool operations. At the close of Q1, Service Departments had received 11.5% of their revenue budget and had spent 33.7% of the expenditure budget. This fund always runs behind due to the telecom subsidy that occurs in Q4.

EOU currently has over 50 grants and contracts. The current EOU Federal F&A rate is 68% of salaries excluding benefits, and the standard rate for non-federal grants is 8%; however, many grants have limitations on the amount of indirect cost recovery that can be charged to the grant budget.

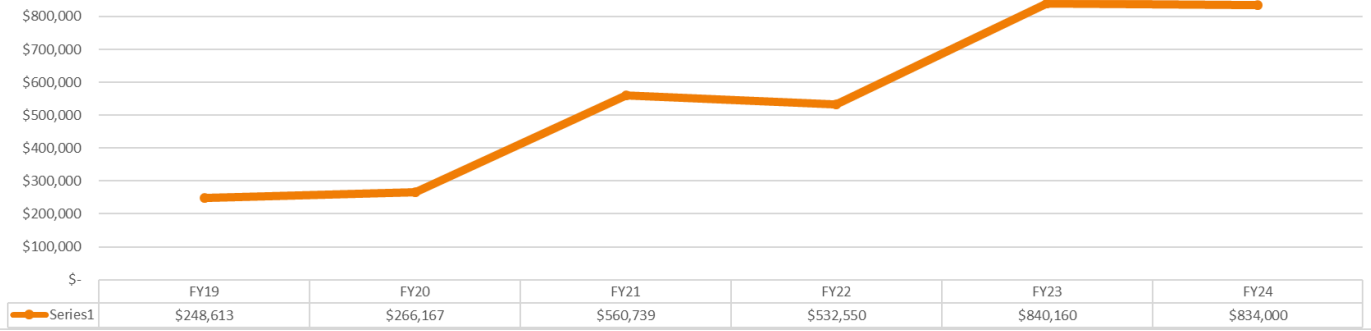
The largest grant EOU currently has is the Eastern Oregon Head Start Program. EOU provides space and services for the program and serves as the fiscal administrator of the grant. All employees funded by this grant are paid through EOU payroll and receive EOU benefits, including retirement and healthcare benefits.

The table below shows grants with award amounts above \$50,000 currently administered at EOU:

GRANT TITLE	CURRENT AWARD AMOUNT
DHHS ACF Head Start Prog 23-24	\$ 2,220,633.00
NSF Functional Evolution of Cytochrome 19-23	\$ 356,874.00
USDE Title III Bridges Grant - 21-26	\$ 2,250,000.00
USDE Success in Rural Oregon Schools (ACROSS) Grant 22-23	\$ 1,237,500.00
DOL Mine Safety 2021-22	\$ 171,384.00
DOL Mine Safety 2023-24	\$ 174,956.00
USDE HECC Moon Shot for Equity Grant 22-23	\$ 1,600,000.00
ODE/USDE GO STEM STEAM Leaders - Federal Funds 21-23	\$ 156,450.00
ODE/USDE GO STEM GEER Computer Science Gr 22-23	\$ 587,494.35
ODE/USDE GO STEM WRAP Science for All Gr 2023	\$ 165,246.67
USDA Head Start Meal Prog 2022-23	\$ 176,345.00
USDA Head Start Meal Prog 2023-24	\$ 113,637.77
USDE/ODE/MESD ESSER MML After School/Community Outreach Grant 22-23	\$ 147,960.00
DOJ Victim Services Gaps Project 20-22	\$ 236,525.00
ODE Pre-Kindergarten Prgm 23-24	\$ 2,519,581.16
ODE Preschool Promise Prgm 2023-25	\$ 1,829,100.00
ODE Grow Your Own OTP Grant 2023-25	\$ 612,500.00
ODE GO STEM Innovation Grants Summer ADV 2023	\$ 68,271.00
ODE GO STEM Math in Real Life Summer ADV 2023	\$ 117,600.00
ODE GO STEM Backbone Grant 2023-25	\$ 496,877.63
ODE GO STEM Innovation Grant 2023-25	\$ 425,000.00
OCF Career Connected Learning 2021-22	\$ 63,761.00
OR Dept of Justice VOCA Grant 22-24 (Same award # as GVOC20)	\$ 185,443.40
ODHS Clean Air Grant 2023	\$ 194,902.00
ODE Wallowa ESD Grow Your Own Teach Rural OR Grant 23-25	\$ 582,031.17
DAS Port of Morrow Grant 23-24	\$ 1,000,000.00
Milton-Freewater SD REN Reading Mentors Program 2022-23	\$ 151,368.00
IMESD REN Reading Mentors Program 2023-24	\$ 389,424.00
EOCCO Share Comm Benefit Grant 23-24	\$ 249,600.00
EOCCO Social Emotional Development Grant 23-24	\$ 50,000.00
Amazon ASW Environmental Career Connected Learning	\$ 52,000.00
Amazon AWS Office Build & Vehicle 2023	\$ 95,000.00
Amazon AWS GO STEM Sponsorship 23-24	\$ 125,000.00
Meyer Memorial Trust Reading Clinic Grant 21-22	\$ 80,000.00
Ford Family Rural Classrooms Grant 22-23	\$ 500,000.00
Roundhouse Foundation Teach Rural Oregon Scholarships 23-24	\$ 52,500.00
Benedict Silverman Foundation Reading Clinic 23-24	\$ 175,440.00
OCF Career Connected Learning 2022-23	\$ 65,000.00
OCF Career Connected Learning 2023-24	\$ 65,000.00
	\$ 19,740,405.15

The chart below shows the indirect cost recovery received annually from the grants EOU administrators.

Indirect Cost Recovery - All Funds



ACCOUNTING AND FISCAL REPORTING TIMELINES:

Biennium is a specified period of two years. We are currently in biennium 23-25: July 1, 2023 – June 30, 2025.

Fiscal Year is a twelve-month accounting period used for reporting purposes. EOU's fiscal period is July 1 – June 30.

- FY23 – July 1, 2022 – June 30, 2023
- FY24 – July 1, 2023 – June 30, 2024

A Fiscal Quarter is a three-month period. At EOU, Fiscal Quarter 1 is July – September, Quarter 2 is October – December, Quarter 3 is January – March and Quarter 4 is April – June.

Fiscal period is a month. At EOU, Fiscal period 01 is July, whereas Fiscal period 12 is June.

REVENUE AND EXPENSE DEFINITIONS:

Student Fees include tuition and course fees charged for all credit courses at EOU. Course fees are charged in association with a particular class, typically these fees are for labs, academic field trips or course materials. Tuition in this category includes fee remissions. This category also accounts for mandatory enrollment fees.

Fee Remissions are also known as tuition discounting or institutional resources provided to students as financial aid. Discounts and allowances have a significant impact on the financial statements, therefore, it is required that fee remissions are recorded as negative revenue in order to discount tuition.

Government Resources and Allocations are funds allocated through the Public University Support Fund (PUSF). The allocation also includes funding for special projects, such as the Small Energy Loan Program (SELP) that is sponsored by the Oregon Department of Energy. The loans are for the purposes of providing partial funding for energy conservation or energy efficient projects.

Gifts, Grants and Contracts can be funded through state, local government agencies, and private organizations. Each grant or contract is for a specific program or project, and expenses associated with the award must be used to adhere to performance as outlined in accordance with the conditions of the agreement outlined by the sponsoring agencies. The revenue received in E&G funds is related to the indirect and administrative cost recovery on the grant or contracts.

Investment/Debt/Debt Service is revenue from interest on accounts and investments as well as royalty and collections charges.

Sales and Services is made up of event income, housing and dining revenue, library fines, forfeited deposits, transcript and testing fees.

Other Revenue is generated from rebates and contracts such as Barnes and Noble and the Law Library.

Internal Sales is primarily used for revenue generated for internal telecommunication services and Audio Visual,

Unclassified Salaries include Faculty and Administrative Professionals salaries, as well as salary pay for those employees on sabbatical and any offsets/stipends received as part of the employees pay.

Unclassified Pay is used for faculty overload pay, summer pay awards, vacation payouts, taxable moving expenses and employee discounts on services (athletic facility usage).

Classified Salaries are those in the SEIU bargaining unit, this includes both full time and part time classified employees.

Classified Pay includes overtime, temporary employees, vacation payouts for classified staff,.

Student Pay is for our students whose primary effort is directed toward receiving a formal education and whose work effort is part-time and secondary in nature. A student employee may be enrolled in either a secondary or a post-secondary institution.

Graduate Assistants is for students working as graduate assistants within the university.

Benefit Compensation this category is used for employee moving related expenses.

Other Payroll Expenses (OPE) is the amount paid for each employee by EOU based upon the type of employment, the gross pay amount, retirement system eligibility, and benefits. OPE varies monthly and annually, but a rate is estimated by the Budget Office so that departments can plan for this expense.

Services and Supplies are expenses associated with the maintenance and administration of the day-to-day business of the institution. The operating expenses include supplies, utilities, repairs, travel and fees, but do not include capital expenses.

Capital Expenses are purchases of equipment that meet the dollar threshold and other criteria for capitalization but are not funded through capital construction project funds. Capitalized equipment is tangible, personal property that is loaned, leased, controlled, or possessed by an institution and is not consumed in the normal course of business, has a value in excess of \$5,000 and has a useful life that exceeds one year. For EOU, this expense area is primarily used for purchases of Library Collection materials.

Student Aid is used for tuition payments, usually associated with Lottery, Housing, Grants or Incidental Fees.

Internal Sales Reimbursements consist of all operations, which provide services or supplies to others and charge a fee for the recovery of the cost incurred. These are non-cash transactions for goods and services necessary to meet the mission of the university. These may be between departments and units; or charges to externally funded grants/contracts or state-wide public service projects.

Transfers In/Out Transfers (Net) are used when moving from one fund type to another, such as in the case of providing funding from operations for a capital project. Transfers can be used within fund types to redistribute resources between individual operating funds, as in the case of funding for cost share. Transfer account codes are also used to move cash associated with budget within the Budgeted Operations fund type.