

FY2025 Q4 Operating Management Report

EXECUTIVE SUMMARY

Unlike other fourth quarter operating management reports, staff have oriented this material to reflect final year-end figures as compared to their original budgeted amounts, as approved by the Board of Trustees in the spring prior to the start of the fiscal year. Consistent with most of the financial information presented to the board, the information is organized by major operating fund.

The fiscal year 2025 (FY25) fourth quarter (Q4) operating management report is detailed in Attachment 1.

Included in this information is a set of unaudited financial figures that reflect the total activity for FY25. The university's external financial audit may result in changes to these figures, which will be included in the university's financial statements later in the year. Future quarterly management reports would then adjust as necessary when displaying FY25 actuals.

Education and General

Education and General fund (E&G) revenues totaled \$941.7M, or \$14.9M (1.6%) less than budgeted for the fiscal year. Virtually all of the variance came from net tuition and fee revenue that lagged the budgeted level by \$13M (2.5%). This negative variance did not result from fewer students, but rather from an under-estimation of tuition remissions, and thus over-budgeting of the revenue.

Total E&G expenditures totaled \$936.2M, or \$15.5M (1.6%) lower than budgeted for the year. Virtually all of the underspending occurred in the broad category of "Supplies, Services, and Capital Outlay," reflecting cautious spending across the institution as the FY26 budget planning process took place in the second half of the year. While budgeted to increase by 8%, this category grew only 0.5% (\$1.2M) relative to FY24.

Transfers in were somewhat higher than budgeted, but the most significant variances in E&G actuals occurred in transfers out. E&G transfers to other funds exceeded the budgeted level by \$18.3M (52%), driven entirely by how Capital Improvement and Renewal (CIR) expenses were covered during FY25. CIR activity last year was planned to be a mix of funds from an E&G budget allocation as well as advanced funding from the 2025 state bond proceeds for this purpose. However, OSU did not take the formal steps necessary to obtain reimbursement for costs that occurred prior to the March 2025 state bonds. Instead, the university utilized prior-year balances of E&G allocations which had remained in the E&G fund. Those allocations had not been spent in the year in which they were originally allocated, so they were available for covering CIR costs in FY25.

The result of this variance meant that the total E&G fund balance at year-end was also reduced by \$17.4M more than budgeted. That E&G balance was already budgeted to drop by \$26.2M, largely due to the legislative appropriations decision to use a Covid-era balance build-up in the Outdoor School (one-time appropriation reduction of \$20M in FY25, to be backfilled by the Outdoor School balance). The remaining fund balance (unrestricted net assets) of \$143.5M is 15.2% of total operating revenues, which is within the board's established range of 10% to 20%.

Self-Support

Self-Support funds revenues totaled \$286.8M, or \$1.5M (0.5%) more than budgeted for the year. Expenditures totaled \$274.9M, which was virtually unchanged (\$93K higher) from the budgeted level.

Transfers in and transfers out totaled \$28.0M and \$16.6M, respectively. The \$28.0M of transfers in was higher than the \$19.6M budgeted, largely attributable to a \$6.5M transfer for project costs at Dixon Recreation Center.

Deductions from unrestricted net assets, primarily representing debt principal payments and purchases of fixed assets, totaled \$14.6M, which was \$1.5M lower than budgeted.

Unrestricted net assets increased by \$10.8M compared to the budget, to a total balance of \$21.2M at year's end. This total ending balance is 7.4% of total operating revenues, and reflects an increase of \$8.7M from the FY24 level.

Restricted

The Restricted funds revenues totaled \$589.5M, or \$13.7M (2.3%) less than originally budgeted. Most of this variance was due to lower federal revenue, as the university experienced a slowdown in federal grant activity in the latter part of FY25. Because restricted expenses are tied to the resources from which they are paid, total expenditures of \$556.2M for the year were \$21.3M (3.7%) lower than budgeted.

Transfers out totaled \$31.6M, which was \$15.3M more than budgeted, largely related to capital costs related to the PacWave Energy Test Facility. Restricted net assets increased by \$2.3M from the prior year to total \$8.6M at year's end.

RECOMMENDATION

Staff recommend that the Finance & Administration Committee accept the FY25 Q4 Operating Management Report.

**Oregon State University
FY 2025 Budget vs. Actuals**

(Unaudited, for management purposes only)

(\$ in thousands)	FY 2024 Actual	FY 2025 Budget	FY 2025 Actual	Budget vs Actual	
EDUCATION & GENERAL					
State General Fund	302,677	289,643	287,921	(1,722)	-0.6%
Tuition & Resource Fees, net of Waivers	469,746	527,421	514,430	(12,991)	-2.5%
Other	142,369	139,606	139,393	(213)	-0.2%
Total Revenues	914,792	956,670	941,744	(14,926)	-1.6%
				-	
Personnel Services	(671,512)	(712,803)	(714,076)	(1,273)	0.2%
Supplies & Services & Capital Outlay	(220,948)	(238,940)	(222,136)	16,804	-7.0%
Total Expenditures	(892,460)	(951,743)	(936,212)	15,531	-1.6%
Net from Operations	22,332	4,927	5,532	605	12.3%
Transfers In	8,691	4,124	4,466	342	8.3%
Transfers Out	(30,254)	(35,271)	(53,597)	(18,326)	52.0%
Fund Additions/(Deductions)		-	-	-	
Change in Unrestricted Net Assets	769	(26,220)	(43,496)	(17,276)	
Beginning Unrestricted Net Assets	186,368	187,137	187,137	-	
Ending Unrestricted Net Assets	187,137	160,917	143,538	(17,379)	
% Operating Revenues	20.5%	16.8%	15.2%		

Oregon State University
FY 2025 Budget vs. Actuals

(Unaudited, for management purposes only)

(\$ in thousands)	FY 2024 Actual	FY 2025 Budget	FY 2025 Actual	Budget vs Actual	
SELF-SUPPORT - Auxiliaries, Designated Operations and Service Departments					
Enrollment Fees	50,678	53,984	55,683	1,699	3.1%
Sales & Services	203,955	182,515	181,214	(1,301)	-0.7%
Other	48,184	48,790	49,853	1,063	2.2%
Total Revenues	302,817	285,289	286,750	1,461	0.5%
				-	
Personnel Services	(132,510)	(143,563)	(137,783)	5,780	-4.0%
Supplies & Services & Capital Outlay	(146,101)	(131,262)	(137,135)	(5,873)	4.5%
Total Expenditures	(278,611)	(274,825)	(274,918)	(93)	0.0%
Net from Operations	24,206	10,464	11,832	1,368	13.1%
Transfers In	10,759	19,621	27,955	8,334	42.5%
Transfers Out	(32,095)	(16,106)	(16,553)	(447)	2.8%
Additions/(Deductions) to Unrestricted Net Assets	(14,028)	(16,096)	(14,561)	1,535	
Change in Unrestricted Net Assets	(11,158)	(2,117)	8,673	10,790	
Beginning Unrestricted Net Assets	23,656	12,498	12,498	-	
Ending Unrestricted Net Assets	12,498	10,381	21,171	10,790	
% Operating Revenues	4.1%	3.6%	7.4%		

Oregon State University
FY 2025 Budget vs. Actuals

(Unaudited, for management purposes only)

(\$ in thousands)	FY 2024 Actual	FY 2025 Budget	FY 2025 Actual	Budget vs Actual	
RESTRICTED FUNDS					
Federal	412,200	427,500	412,948	(14,552)	-3.4%
State	47,467	63,200	58,906	(4,294)	-6.8%
Other	115,961	112,500	117,621	5,121	4.6%
Total Revenues	575,628	603,200	589,475	(13,725)	-2.3%
				-	
Personnel Services	(186,449)	(197,500)	(196,179)	1,321	-0.7%
Supplies & Services & Capital Outlay	(351,300)	(380,000)	(359,974)	20,026	-5.3%
Total Expenditures	(537,749)	(577,500)	(556,153)	21,347	-3.7%
Net from Operations	37,879	25,700	33,322	7,622	29.7%
Transfers In	3,851	3,500	599	(2,901)	-82.9%
Transfers Out	(44,505)	(16,330)	(31,630)	(15,300)	93.7%
Additions/(Deductions) to Restricted Net Assets	-	-	-	-	
Change in Unrestricted Net Assets	(2,775)	12,870	2,291	(10,579)	
Beginning Unrestricted Net Assets	9,073	6,298	6,298	-	
Ending Unrestricted Net Assets	6,298	19,168	8,589	(10,579)	
% Operating Revenues	1.1%	3.2%	1.5%		

OREGON STATE UNIVERSITY
Transfers schedule
(in \$000's)

As of June 30, 2025
For the Fiscal Year Ended June 30, 2025

	<u>Transfers In</u>		<u>Transfers Out</u>	
Education & General				
Self-Supports				
Royalties	\$ 2,214	(a)	\$ 1	
Athletics	338		17,915	(b)
Other Auxiliaries	401	(c)	1,167	
Designated Operations	316		765	(d)
Service Centers	95		1,022	(d)
Unrestricted Gifts	34	(e)	-	
Restricted	213	(f)	-	
Other	50		-	
Capital Construction	805		32,727	(g)
Total	\$ 4,466		\$ 53,597	
Self-Support				
Education & General				
Royalties	\$ 1		\$ 2,214	(a)
Athletics	17,915	(b)	338	
Other Auxiliaries	1,167		401	(c)
Designated Operations	765	(d)	316	
Service Centers	1,022	(d)	95	
Unrestricted Gifts	-		34	(e)
Restricted	1		6	
Capital Construction	581		11,734	(g)
Internal Bank	-		1,415	
Debt Service	6,503		-	
Totals	\$ 27,955		\$ 16,553	
Restricted				
Education & General	\$ -		\$ 213	(f)
Self-Support	6		1	
Capital Construction	593		31,416	(h)
	\$ 599		\$ 31,630	
Total Transfers	\$ 33,020		\$ 101,780	
Capital Construction	1,979		75,877	
Internal Bank and Other	6,553		1,415	
Net Transfers	\$ 24,488		\$ 24,488	

- (a) Transfer of royalties to E&G
- (b) FY25 support from E&G to Athletics
- (c) Support from ASOSU to PRAX and child care subsidy
- (d) Subsidies from E&G for supporting Designated Operations and Service Departments
- (e) Transfer from unrestricted gift to E&G
- (f) Transfer for USGS Space Lease at Jefferson Street Building
- (g) Transfers to plant fund for remodels and space renovations
- (h) Transfer for federally funded PacWave capital project