



MONTHLY FINANCIAL UPDATE

For the period ending 8.31.2026

ABSTRACT

Monthly reports including E&G and All Funds budget updates including future year projections, Institutional Cash Flow, Key Assumptions and other relevant information regarding Southern Oregon University's current financial status.

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Executive Summary

For the period ending August 31, 2026

August represents the final full month of summer from both a meteorological and academic perspective. At SOU, the transition is particularly timely this year, with the fall term beginning on September 23, immediately following the start of the fall season. As the University moves into the academic year, its financial outlook will become increasingly defined as students finalize course registrations and housing arrangements and the University positions resources to support the incoming fall population.

The beginning of fall term is also an important point in the annual financial cycle. Enrollment, credit-hour production, housing occupancy, and other activity measures will increasingly be compared to preliminary assumptions with actual operating information, providing greater visibility into FY2027 revenues and expenditures.

This month's submission also introduces a new appendix, "Row Definitions for the Standard Budget Report to the SOU Board of Trustees and HECC." Developed as a reference for readers of the monthly financial report, the appendix provides standardized definitions for the reporting lines that comprise the primary financial schedules. The resource was developed in response to a request for additional context and is intended to establish an easy to comprehend, common baseline for interpreting the financial information presented each month.

As noted in the July report, SOU is continuing development of a public-facing financial dashboard in coordination with expert vendor support. The dashboard will translate key information from this monthly report into charts, trend analyses, and other visual tools designed to make institutional financial performance more accessible to internal and external stakeholders. At the University's Welcome Back Luncheon, President Bailey previewed one of the several dozen visualizations under development, SOU's Net Income trend, a draft of which is also presented below.



Dr. Carson Howell
Vice President for Finance and Administration

Statement on Institutional Contingency Planning

GENERAL INSTITUTIONAL CONTINGENCIES

If enrollment falls materially below budget, and planned cost savings are insufficient, the university will implement contingency measures to preserve cash solvency, maintain essential academic and student services, and protect long-term institutional stability.

Actions may include further restrictions and additional spending controls, hiring and travel restrictions, requesting the use of available board-restricted reserves, contract renegotiations, and other cash management measures. The university may also consider temporary furloughs, reduced schedules, additional separations, position reductions, or other personnel actions consistent with applicable law, board policy, labor agreements, and shared governance.

The university may also seek bridge funding or liquidity support through state treasury, philanthropic, grant-related, or other legally available sources. All actions will prioritize instructional continuity, student success, payroll and debt obligations, regulatory compliance, and the university's public mission.

E&G Budget Updates

Changes from last reported FY2026 E&G projection:

1. Revenues

- a. **Gross Tuition & Fees:** No changes from the July report
- b. **Less Remissions:** No changes from the July report
- c. **Net Tuition & Fees:** No changes from the July report
- d. **State Operating Appropriations:** No changes from the July report
- e. **State Debt Service Appropriations:** No changes from the July report.
- f. **All Other:** No changes from the July report.

2. Expenses

- a. **Salary & Wages:** No changes from the July report.
- b. **Benefits (Health, Retirement & Other categories):** No changes from the July report.
- c. **Supplies & Services:** Small (-\$5k) change from the July report.
- d. **Capital Expenditures:** No changes from the July report.
- e. **Institutional Student Aid:** No changes from the July report.
- f. **Net Fund Transfers:** No changes from the July report.

3. Net Income and Fund Balance

- a. **Net Income (Loss):** FY2026 remains projected at (\$4.02M) loss; a positive change of 0.13% compared to the loss reported in July.
- b. **Ending Fund Balance:** There are no changes to the Additions/Deductions from the July submission; the nominal roughly \$5k increase is attributable to small coding updates.

FY2026 E&G Actuals & End-of-Year Projections ('Soft Close' with updates 9.15.2026)

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 9.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.18.2026)	Current FY2026 Projection (as of 9.15.2026)	\$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	37,008,351	37,945,000	36,834,902	97%	36,834,902	36,834,902	-	0.0%
Less fee remissions	(5,294,416)	(5,162,000)	(5,393,970)	104%	(5,393,970)	(5,393,970)	-	0.0%
Net Tuition & Fees	31,713,936	32,783,000	31,440,932	96%	31,440,932	31,440,932	-	0.0%
State operating appropriations	28,625,062	29,301,951	28,929,606	99%	28,929,606	28,929,606	-	0.0%
State debt service appropriations	179,160	179,160	179,160	100%	179,160	179,160	-	0.0%
Indirect cost recovery	308,132	310,000	379,326	122%	379,326	379,326	-	0.0%
All other	2,003,312	3,690,000	3,574,976	97%	3,574,976	3,574,976	-	0.0%
Total revenues	62,829,601	66,264,111	64,504,001	97%	64,504,001	64,504,001	-	0.0%
Expenses								
Salary & Wages	32,615,263	32,300,000	31,805,842	98%	31,805,842	31,805,842	-	0.00%
Benefits: Health	7,979,990	7,483,379	8,142,453	109%	8,142,453	8,142,453	-	0.00%
Benefits: Retirement	8,444,131	7,918,635	8,616,043	109%	8,616,043	8,616,043	-	0.00%
Benefits: Other	3,248,898	3,046,712	3,315,041	109%	3,315,041	3,315,041	-	0.00%
Supplies & Services	14,378,648	14,313,497	14,148,942	99%	14,154,047	14,148,942	(5,104)	-0.04%
Capital Expenditures	-	12,681	26,248	207%	26,248	26,248	-	0.00%
Institutional Student Aid	77,764	-	47,842	0%	47,842	47,842	-	0.00%
Net Fund Transfers	3,118,725	2,496,260	2,428,068	97%	2,428,068	2,428,068	-	0.00%
Total expenses	69,863,419	67,571,164	68,530,478	101%	68,535,583	68,530,478	(5,104)	0.0%
Net Income (Loss)	(7,033,818)	(1,307,053)			(4,031,582)	(4,026,478)	5,104	0.13%
Margin As a % of Revenue	-11.2%	-2.0%			-6.3%	-6.2%		
Fund Balance Information								
Beginning Fund Balance	3,471,769	(3,562,049)			(3,562,049)	(3,562,049)	(0)	0.0%
Additions/(Deductions)		1,500,000			8,840,778	8,840,778	-	0.0%
Ending Fund Balance	(3,562,049)	(3,369,102)			1,247,147	1,252,251	5,104	
Balance as a % of Revenue	-5.67%	-5.08%			1.93%	1.94%		0.01%
Months of Operating Balance	(0.7)	(0.6)			0.2	0.2	0.0	
Additional Information								
% of Revenue that is Tuition	50.5%	49.5%	48.7%		48.7%	48.7%		0.00%
Remission Rate	14.3%	13.6%	14.6%		14.6%	14.6%		0.00%
Wages and Benefits as % of Total:	74.8%	75.1%	75.7%		75.7%	75.7%		0.01%

Changes from last reported [FY2027](#) E&G projections:

1. Revenues

- a. **Gross Tuition & Fees:** No changes from the July report.
 - i. **NOTE:** As the term progresses, and credit hours are reported in the new Workday system, the estimate at the end of September will be updated to reflect the latest projections.
- b. **Less Remissions:** No changes from the July report.
- c. **Net Tuition & Fees:** No changes from the July report.
- d. **State Operating Appropriations:** No projected changes from the July report.
 - i. **NOTE:** The potential exists for a material adjustment to projections subsequent to the 'True-up' later in the Fall term and will likely be updated with either the December or January report submission. The assumption for state appropriations decline was reported in the June submission within the section titled 'Future Year Projections'. This note will remain intact until after the True-up process has finalized SSCM allocations for FY2027.
- e. **State Debt Service Appropriations:** No changes from the July report.
- f. **Indirect Cost recovery:** No changes from the July report.
- g. **All Other:** No changes from the July report.

2. Expenses

- a. **Salary & Wages:** Projections showing a slight decline (-\$186k or -0.60%) from July's report. This is reflective of lapsed salaries from new unplanned vacancies.
- b. **Benefits (Health, Retirement & Other categories):** July's revision of fringe benefit projections are seeing a slight (-\$117k or -0.60%) improvement. This is directly related to the salary and wages projections seen above.
- c. **Supplies & Services:** Total S&S expenses projecting a slightly improvement (-\$139k) compared to July's report as spending during the summer was down nearly 2% compared to the summer of 2025.
- d. **Capital Expenditures:** No changes from the July report.
- e. **Institutional Student Aid:** No changes anticipated; projections remaining at budget.
- f. **Net Fund Transfers:** No changes from the July budget.

3. Net Income and Fund Balance

- a. **Net Income (Loss):** FY2026 now projected at (\$4.28M) loss; a positive development compared to the July report of over \$443k and almost entirely related to savings from unplanned vacancies and a slightly better outlook on S&S.
- b. **Ending Fund Balance:** There are no changes to the Additions/Deductions, but fund balance improves relative to the unplanned savings in labor and S&S by roughly \$448k.

Current FY2027 E&G Actuals & End-of-Year Projections

	EST Final Prior FY	FY2027 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2026	FY2027 BUDGET	FY2027 YTD Actuals (as of 8.31.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 7.31.2026)	Current FY2027 Projection (as of 8.31.2026)	\$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	36,834,902	34,039,772	2,662,632	8%	34,039,772	34,039,772	-	0.0%
Less fee remissions	(5,393,970)	(4,730,000)	(35,415)	1%	(4,730,000)	(4,730,000)	-	0.0%
Net Tuition & Fees	31,440,932	29,309,772	2,627,216	9%	29,309,772	29,309,772	-	0.0%
State operating appropriations	28,929,606	29,552,520	10,639,747	36%	29,552,520	29,552,520	-	0.0%
State debt service appropriations	179,160	179,160	44,790	25%	179,160	179,160	-	0.0%
Indirect cost recovery	379,326	395,637	121,148	31%	430,105	430,105	-	0.0%
All other	3,574,976	2,957,723	179,405	6%	2,957,723	2,957,723	-	0.0%
Total revenues	64,504,001	62,394,812	13,612,307	22%	62,429,280	62,429,280	-	0.0%
Expenses								
Salary & Wages	31,805,842	30,907,892	3,924,222	13%	30,887,875	30,701,258	(186,617)	-0.60%
Benefits: Health	8,142,453	7,244,435	875,925	12%	7,878,122	7,830,524	(47,598)	-0.60%
Benefits: Retirement	8,616,043	7,665,794	926,872	12%	8,336,338	8,285,972	(50,366)	-0.60%
Benefits: Other	3,315,041	2,949,431	356,616	12%	3,207,424	3,188,045	(19,379)	-0.60%
Supplies & Services	14,148,942	15,114,492	3,617,802	24%	15,527,534	15,388,155	(139,379)	-0.90%
Capital Expenditures	26,248	30,000	332	1%	26,248	26,248	-	0.00%
Institutional Student Aid	47,842	-	-	0%	-	-	-	-
Net Fund Transfers	2,428,068	1,286,153	53,509	4%	1,286,153	1,286,153	-	0.00%
Total expenses	68,530,478	65,198,197	9,755,278	15%	67,149,694	66,706,355	(443,339)	-0.7%
Net Income (Loss)	(4,026,478)	(2,803,385)			(4,720,414)	(4,277,075)	443,339	9.39%
Margin As a % of Revenue	-6.2%	-4.5%			-7.6%	-6.9%		
Fund Balance Information								
Beginning Fund Balance	(3,562,049)	1,252,251			1,247,147	1,252,251	5,104	0.4%
Additions/(Deductions)	8,840,778	15,000,000			15,000,000	15,000,000	-	0.0%
Ending Fund Balance	1,252,251	13,448,866			11,526,733	11,975,176	448,443	
Balance as a % of Revenue	1.94%	21.55%			18.46%	19.18%		0.72%
Months of Operating Balance	0.2	2.6			2.2	2.3	0.1	
Additional Information	0.0%							
% of Revenue that is Tuition	48.7%	47.0%			46.9%	46.9%		0.00%
Remission Rate	14.6%	13.9%			13.9%	13.9%		0.00%
Wages and Benefits as % of Total:	75.7%	74.8%			74.9%	75.0%		0.06%

Changes from last reported E&G Forecast through 2029:

For the August submission, nominal changes have been made for future year forecasts compared to the July report submission.

1. Future Year Projections

a. **Revenue** future-year projection updates:

- i. Gross tuition & fees are assumed to return to normal enrollment patterning subsequent to the AY26-27 steep decline; however, those losses may be tempered if enrollment in AY26-27 is not as deleterious as originally projected (see tuition and fee discussion above). Losses in tuition and fee revenues are offset by tuition increases still assumed at 5% annual growth.
- ii. Remissions are expected to experience a larger decline (savings) in AY28-29 as planned decreases from the prior two academic years are compounded with the incoming AY28-29 class. This is to say, there will only be one cohort that remains on the old system of remissions by the Fiscal 2029 year.
- iii. FY2029 is the second year of the biennium and state appropriations normally increase. However, the amount projected to increase has been tempered by the projected decreases in enrollment. This assumption update was explained in the June submission.

b. **Expense** future-year projection updates:

- i. As mentioned in the July report, the biggest impact to projections stems from updated modeling for Fringes. The observed 7.13% increase in FY2028 benefits compared to the FY2027 budget reflects the updated assumptions described July and will be monitored for potential calculation updates during the year.
 1. Total expenses projected to grow 0.93% compared to the FY27 budget
- ii. A planned reduction in professional services contracts related to Vitality Planning implementation in FY2029 results in a (\$468k) savings compared to the FY2028 budget.
- iii. Total expenses projected to grow 0.62% compared to the FY28 budget.

c. **Fund Balance** future-year projection updates:

- i. Net Losses from operations in both future years will be absorbed by fund balance which is projected to remain positive throughout the next biennium (FY2028/29).

E&G Forecast Update through FY2029

		FUTURE FISCAL YEAR PROJECTIONS					
	Current FY2027 Projection (as of 8.31.2026)	FY2028	\$ Change from 2027 Budget	% Change from 2027	FY2029	\$ Change from 2028	% Change from 2028
Revenues	-						
Gross tuition and fees	34,039,772	34,018,777	(20,995)	-0.06%	34,005,652	(13,125)	-0.04%
Less fee remissions	(4,730,000)	(4,600,000)	130,000	-2.75%	(4,190,000)	410,000	-8.91%
Net Tuition & Fees	29,309,772	29,418,777	109,005	0.37%	29,815,652	396,875	1.35%
State operating appropriations	29,552,520	30,123,425	570,905	1.93%	31,343,794	1,220,368	4.05%
State debt service appropriations	179,160	179,160	-	0.00%	179,160	-	0.00%
Indirect cost recovery	430,105	460,000	64,363	16.27%	492,000	32,000	6.96%
All other	2,957,723	3,092,874	135,151	4.57%	3,234,201	141,327	4.57%
Total revenues	62,429,280	63,274,236	879,425	1.41%	65,064,807	1,790,570	2.83%
Expenses							
Salary & Wages	30,701,258	30,151,659	(756,233)	-2.45%	30,608,774	457,115	1.52%
Benefits: Health	7,830,524	7,760,942	516,507	7.13%	7,919,949	159,007	2.05%
Benefits: Retirement	8,285,972	8,212,342	546,548	7.13%	8,380,598	168,256	2.05%
Benefits: Other	3,188,045	3,159,716	210,285	7.13%	3,224,453	64,737	2.05%
Supplies & Services	15,388,155	15,145,000	30,508	0.20%	14,677,000	(468,000)	-3.09%
Capital Expenditures	26,248	31,000	1,000	3.33%	32,000	1,000	3.23%
Institutional Student Aid	-	-	-		-	-	
Net Fund Transfers	1,286,153	1,347,060	60,907	4.74%	1,372,865	25,805	1.92%
Total expenses	66,706,355	65,807,719	609,522	0.93%	66,215,638	407,920	0.62%
Net Income (Loss)	(4,277,075)	(2,533,482)	269,903	9.63%	(1,150,832)	1,382,651	54.58%
Margin As a % of Revenue	-7%	-4%			-2%		
Fund Balance Information							
Beginning Fund Balance	(3,562,049)	13,448,866	12,196,615	974%	10,915,384	(2,533,482)	-19%
Additions/(Deductions)	15,000,000		(15,000,000)	-100%		-	
Ending Fund Balance	7,160,876	10,915,384	(2,533,482)	-19%	9,764,552	(1,150,832)	-11%
Balance as a % of Revenue	11.47%	17.25%		-4.30%	15.01%		-2.24%
Months of Operating Balance	1.4	2.1	(0.5)		1.8	(0.3)	
Additional Information							
% of Revenue that is Tuition	46.9%	46.5%		-1.02%	45.8%		-1.44%
Remission Rate	13.9%	13.5%		-2.69%	12.3%		-8.88%
Wages and Benefits as % of Total:	75.0%	74.9%		0.12%	75.7%		1.10%

All Funds Budget Update

Changes from Last Reported FY2026 ALL FUNDS projection

1. Revenues

- a. **Gross Tuition & Fees:** No changes from the July report.
- b. **Less Remissions:** No changes from the July report.
- c. **Net Tuition & Fees:** No changes from the July report.
- d. **State Operating Appropriations:** No changes from the July report.
- e. **State Debt Service Appropriations:** No changes from the July report.
- f. **Indirect Cost recovery:** No changes from the July report.
- g. **All Other:** Similar to the July report, is important to note that SOU operates on a modified accrual basis, under which a number of year-end transactions are recorded during the accrual period. These include, among other items, housing settle-ups, Foundation gift account activity, and deferred revenues.

The \$112k improvement over prior period reported reflects remaining transactions booked to other revenues during the accrual period; principally settle-ups related to gift accounting.

2. Expenses

- a. **Salary & Wages:** No changes from the July report.
- b. **Benefits (Health, Retirement & Other categories):** No changes from the July report.
- c. **Supplies & Services:** As noted in July, SOU uses modified accrual accounting, and certain year-end adjustments are recorded during the accrual period, including bond principal reclassification and the deferral of prepaid expenses to future periods.

The improvement (-\$92k) recognized for August is the net of accruals in the period.

- d. **Capital Expenditures:** No changes from the July report.
- e. **Institutional Student Aid:** No changes from the July report.
- f. **Net Fund Transfers:** No changes from the July report.

3. Net Income and Fund Balance

NOTE: As previously noted, the ALL FUNDS report remains under refinement. The August report corrects the prior-report ending balance, which had carried forward the budgeted rather than projected FY2026 balance. Updated formulas now reference the projected FY2026 ending balance.

- a. **Net Income (Loss):** FY2026 now projected at \$4.31M gain; a change of roughly 5% compared to July's submission.
 - i. This is the net impact between the slight revenue improvement (+\$112k) and slight reduction in expense (-\$92K).
- b. **Ending Fund Balance:** Institutional fund balances across the 'All Funds' perspective improved by (\$204k) to \$83.05M after refining the FY2026 ending balance calculation.

FY2026 All Funds Actuals & End-of-Year Projections ('Soft Close' with updates 9.15.2026)

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 9.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.18.2026)	Current FY2026 Projection (as of 9.15.2026)	\$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	43,775,539	47,141,208	43,927,399	93%	43,927,399	43,927,399	-	0.0%
Less fee remissions	(5,452,611)	(5,497,200)	(5,573,070)	101%	(5,573,070)	(5,573,070)	-	0.0%
Net Tuition & Fees	38,322,928	41,644,008	38,354,329	92%	38,354,329	38,354,329	-	0.0%
State operating appropriations	30,211,442	30,737,797	30,463,351	99%	30,463,351	30,463,351	-	0.0%
State debt service appropriations	179,160	179,160	179,160	100%	179,160	179,160	-	0.0%
Indirect cost recovery	175	310,000	390,662	126%	390,662	390,662	-	0.0%
All others	51,951,453	53,000,000	62,472,572	118%	62,360,292	62,472,572	112,280	0.2%
Total revenues	120,665,158	125,870,965	131,860,075	105%	131,747,795	131,860,075	112,280	0.1%
Expenses								
Salary & Wages	42,718,076	42,168,026	42,342,390	99%	42,342,390	42,342,390	-	0.00%
Benefits: Health	9,688,635	10,418,335	10,290,845	95%	10,290,845	10,290,845	-	0.00%
Benefits: Retirement	10,252,156	11,024,298	10,889,392	95%	10,889,392	10,889,392	-	0.00%
Benefits: Other	3,944,539	4,241,622	4,189,717	95%	4,189,717	4,189,717	-	0.00%
Supplies & Services	42,760,544	29,736,138	41,717,331	141%	41,809,466	41,717,331	(92,135)	-0.22%
Capital Expenditures	(708,937)	252,549	215,232	36%	215,232	215,232	-	0.00%
Institutional Student Aid	17,881,756	64,050	17,808,843	27805%	17,808,843	17,808,843	-	0.00%
Net Fund Transfers	49,031	-	89,048	0%	89,048	89,048	-	0.00%
Total expenses	126,585,800	97,905,018	125,941,330	129%	127,634,935	127,542,800	(92,135)	-0.1%
Net Income (Loss)	(5,920,642)	27,965,947			4,112,860	4,317,275	204,415	4.97%
Margin As a % of Revenue	-4.9%	22.2%			3.1%	3.3%		
Fund Balance Information								
Beginning Fund Balance	84,656,483	78,735,841			78,735,841	78,735,841	-	0.0%
Additions/(Deductions)								
Ending Fund Balance	78,735,841	106,701,787			82,848,701	83,053,116	204,415	
Balance as a % of Revenue	65.25%	84.77%			-5.26%	-5.26%		0.00%
Months of Operating Balance	7.8	10.2			(0.6)	(0.6)		
Additional Information								
% of Revenue that is Tuition	31.8%	33.1%	30.6%		50.8%	50.8%		0.00%
Remission Rate	12.5%	11.7%	12.7%		13.3%	13.3%		0.00%
Wages and Benefits as % of Total:	52.6%	69.3%	52.5%		53.1%	53.1%		0.07%

Changes from last reported [FY2027](#) ALL FUNDS projections:

1. Revenues

- a. **Gross Tuition & Fees:** No changes from the July report.
- b. **Less Remissions:** No changes from the July report.
- c. **Net Tuition & Fees:** No changes from the July report.
- d. **State Operating Appropriations:** No changes from the July report.
- e. **State Debt Service Appropriations:** No changes from the July 29, 2026 adopted budget.
- f. **Indirect Cost recovery:** No changes from the July report.
- g. **All Other:** No changes from the July report.

2. Expenses

- a. **Salary & Wages:** Projections showing nominal improvements from the July report.
- b. **Benefits (Health, Retirement & Other categories):** Projections showing nominal improvements from the July report.
- c. **Supplies & Services:** Total S&S expenses projecting slight (+\$183k | 0.45%) increase compared to the July report. Early indications are that S&S may be 'hotter' than anticipated; management may need to enforce stricter controls on spending.
- d. **Capital Expenditures:** No changes from the July report.
- e. **Institutional Student Aid:** No changes anticipated; projections remaining neutral until financial aid figures begin to materialize during the start of term.
- f. **Net Fund Transfers:** No changes from the July report across all operating funds.

3. Net Income and Fund Balance

NOTE: As previously noted, the ALL FUNDS report remains under refinement. The August report corrects the prior-report ending balance, which had carried forward the budgeted rather than projected FY2026 balance. Updated formulas now reference the projected FY2026 ending balance.

- a. **Net Income (Loss):** FY2027 projecting slight decline (-\$169k | 1.39%) change from July.
- a. **Ending Fund Balance:** There are no changes to the Additions/Deductions, but fund balance decreased by the changes seen in all expenses (-\$169k)

Current FY2027 ALL FUNDS Actuals & End-of-Year Projections

	EST Final Prior FY	FY2027 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2026	FY2027 BUDGET	FY2027 YTD Actuals (as of 8.31.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 7.31.2026)	Current FY2027 Projection (as of 8.31.2026)	\$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	43,927,399	40,629,772	2,684,598	7%	40,629,772	40,629,772	-	0.0%
Less fee remissions	(5,573,070)	(4,900,000)	(37,415)	1%	(4,900,000)	(4,900,000)	-	0.0%
Net Tuition & Fees	38,354,329	35,729,772	2,647,183	7%	35,729,772	35,729,772	-	0.0%
State operating appropriations	30,463,351	30,988,367	18,498,709	60%	30,988,367	30,988,367	-	0.0%
State debt service appropriations	179,160	179,160	44,790	25%	179,160	179,160	-	0.0%
Indirect cost recovery	390,662	420,000	126,384	30%	430,105	430,105	-	0.0%
All others	62,472,572	53,000,000	5,257,457	10%	53,000,000	53,000,000	-	0.0%
Total revenues	131,860,075	120,317,299	26,574,523	22%	120,327,404	120,327,404	-	0.0%
Expenses								
Salary & Wages	42,342,390	40,692,146	5,434,291	13%	40,665,792	40,657,707	(8,085)	-0.02%
Benefits: Health	10,290,845	9,903,602	1,208,878	12%	10,691,152	10,689,026	(2,126)	-0.02%
Benefits: Retirement	10,889,392	10,479,627	1,279,190	12%	11,312,982	11,310,733	(2,249)	-0.02%
Benefits: Other	4,189,717	4,032,059	492,171	12%	4,352,694	4,351,829	(865)	-0.02%
Supplies & Services	41,717,331	41,500,000	6,823,259	16%	41,028,659	41,211,836	183,177	0.45%
Capital Expenditures	215,232	30,000	16,812	56%	26,248	26,248	-	0.00%
Institutional Student Aid	17,808,843	64,050	216,966	339%	-	-	-	-
Net Fund Transfers	89,048	-	179	0%	-	-	-	-
Total expenses	127,542,800	106,701,484	15,471,747	15%	108,077,526	108,247,379	169,852	0.2%
Net Income (Loss)	4,317,275	13,615,815			12,249,878	12,080,026	(169,852)	1.39%
Margin As a % of Revenue	3.3%	11.3%			10.2%	10.0%		
Fund Balance Information								
Beginning Fund Balance	78,735,841	83,053,116			83,053,116	83,053,116	-	0.0%
Additions/(Deductions)		15,000,000			15,000,000	15,000,000	-	0.0%
Ending Fund Balance	83,053,116	111,668,931			110,302,994	110,133,141	(169,852)	
Balance as a % of Revenue	62.99%	92.81%			91.67%	91.53%		-0.14%
Months of Operating Balance	7.6	11.1			11.0	11.0	(0.0)	
Additional Information								
% of Revenue that is Tuition	29.1%	29.7%			29.7%	29.7%		0.00%
Remission Rate	12.7%	12.1%			12.1%	12.1%		0.00%
Wages and Benefits as % of Total:	53.1%	61.0%			62.0%	61.9%		-0.18%

Changes from last reported ALL FUNDS Forecast through 2029:

For the August submission, significant changes have been made for future year revenue forecasts which incorporate additional tuition and fee modeling for non-E&G sources.

1. Future Year Projections

a. **Revenue** future-year projection updates:

- i. Gross tuition & fees are assumed to return to normal enrollment patterning subsequent to the AY26-27 steep decline. Losses in tuition and fee revenues are offset by tuition increases still assumed at 5% annual growth. Future year modeling now includes additional projections for non-E&G tuition and fee sources for both years of the following biennium.
- ii. Remissions are expected to experience a larger decline in AY28-29 as planned decreases from the prior two academic years are compounded with the incoming AY28-29 class. This is to say, there will only be one cohort that remains on the old system of remissions by the Fiscal 2029 year.
- iii. FY2029 is the second year of the biennium and state appropriations normally increase. However, the amount projected to increase has been tempered by the projected decreases in regular student enrollments. This assumption update was explained in the June submission.

b. **Expense** future-year projection updates:

- i. As discussed in the July report, the biggest impact to projections stems from updated modeling for Fringes. The observed 5.5% increase in FY2028 benefits compared to the FY2027 budget reflects the updated assumptions described later in the assumptions section.
 1. This is a smaller overall % change than E&G because labor from the 'ALL FUNDS' perspective comprises a different mix of labor classifications. One example; ALL FUNDS labor includes faculty grant work that is not charged medical expense.
 2. Total labor expenses projected to grow \$392K compared to the FY27 budget and is directly tied to the Fringe expense recalculations
- ii. Total expenses projected to grow 1.21% compared to the FY27 budget.

c. **Fund Balance** future-year projection updates:

- i. Net Losses from operations in both future years will be absorbed by fund balance which is projected to remain positive throughout the next biennium (FY2028/29).
 1. NOTE: The 'All Funds' report perspective includes Grants, Gifts and all other funds operated by the university and budgets are not created for certain fund types annually which may be present in the actuals presentation(s) reported here.
 2. This was described in detail in the May submission.

All Funds Forecast Update through FY2029

		FUTURE FISCAL YEAR PROJECTIONS					
	Current FY2027 Projection (as of 8.31.2026)	FY2028	\$ Change from 2027	% Change from 2027	FY2029	\$ Change from 2028	% Change from 2028
Revenues	-						
Gross tuition and fees	40,629,772	40,697,704	67,932	0.17%	41,247,860	550,156	1.35%
Less fee remissions	(4,900,000)	(4,600,000)	300,000	-6.12%	(4,190,000)	410,000	-8.91%
Net Tuition & Fees	35,729,772	36,097,704	367,932	1.03%	37,057,860	960,156	2.66%
State operating appropriations	30,988,367	30,123,425	(864,942)	-2.79%	31,343,794	1,220,368	4.05%
State debt service appropriations	179,160	179,160	-	0.00%	179,160	-	0.00%
Indirect cost recovery	430,105	422,522	2,522	0.60%	425,060	2,537	0.60%
All others	53,000,000	53,859,489	859,489	1.62%	54,510,949	651,460	1.21%
Total revenues	120,327,404	120,682,301	365,002	0.30%	123,516,822	2,834,522	2.35%
Expenses							
Salary & Wages	40,657,707	39,741,850	(950,296)	-2.34%	40,426,554	684,704	1.72%
Benefits: Health	10,689,026	10,448,245	544,642	5.50%	10,628,255	180,011	1.72%
Benefits: Retirement	11,310,733	11,055,947	576,320	5.50%	11,246,428	190,481	1.72%
Benefits: Other	4,351,829	4,253,799	221,741	5.50%	4,327,087	73,288	1.72%
Supplies & Services	41,211,836	42,457,000	957,000	2.31%	42,947,000	490,000	1.15%
Capital Expenditures	26,248	31,000	1,000	3.33%	32,000	1,000	3.23%
Institutional Student Aid	-	-	(64,050)	-100.00%	-	-	-
Net Fund Transfers	-	-	-	-	-	-	-
Total expenses	108,247,379	107,987,841	1,286,357	1.21%	109,607,324	1,619,483	1.50%
Net Income (Loss)	12,080,026	12,694,460	(921,356)	6.77%	13,909,498	1,215,039	-9.57%
Margin As a % of Revenue	10%	11%			11%		
Fund Balance Information							
Beginning Fund Balance	83,053,116	110,133,141	27,080,026	33%	122,827,601	12,694,460	12%
Additions/(Deductions)	15,000,000		(15,000,000)	-100%	-	-	-
Ending Fund Balance	110,133,141	122,827,601	11,158,670	10%	136,737,099	13,909,498	11%
Balance as a % of Revenue	91.53%	101.78%		8.97%	110.70%		8.93%
Months of Operating Balance	11.0	12.2	1.1		13.3	1.1	
Additional Information							
% of Revenue that is Tuition	29.7%	29.9%		0.72%	30.0%		0.30%
Remission Rate	12.1%	11.3%		-6.28%	10.2%		-10.13%
Wages and Benefits as % of Total:	61.9%	60.7%		-0.60%	60.8%		0.22%

Cashflow Projection

Forecast through June 30, 2027

Southern Oregon University is projected to maintain a positive ending cash position through June 30, 2027. The State's \$15 million special allocation is achieving its intended purpose: stabilizing the University's near-term financial position, preserving sufficient liquidity to support operations through FY2029, and providing the necessary implementation runway for SOU to execute the Vitality Plan and achieve a more sustainable long-term financial structure.

Noteworthy Changes between July and August

For the month of August 2026, Southern Oregon University's cash position decreased by \$5.7M, compared to a projected decrease of \$5.6M, resulting in a net negative variance of \$0.1M.

Cash Inflows (+\$0.1M / Favorable): Driven by higher-than-forecasted grant reimbursements (+\$152K)—recovering from lower July inflows—and state capital construction reimbursements (+\$368K). These were partially offset by lags in Other Revenue (\$180K), due to two payments received in July, and student payments (\$331K).

Cash Outflows (- \$0.3M / Unfavorable): Primarily driven by unmodeled summer capital construction outlays. Capital construction was omitted from the baseline cash model under the assumption that expenditures are dollar-for-dollar offset by State CIR funds and capital bonds, typically reimbursed within 30 days.

Future Forecasting

This month's cash flow variance was minimal. Core operational cash flow remains stable, and these timing shifts are expected to normalize over the coming quarters as we continue to hone the modeling.

Key Assumptions Used Within the Cashflow & Budget Forecast – Changes from July

Enrollment Projections (as of 9.15.2026)

Key Enrollment Assumption:

Currently, the total academic year 2026-27 SCH (inclusive of summer) remains projected to be **-15.5%** (**with Fall 2026: -16%**) from the AY2025-26 year.

*This is **unchanged** from July's report submission.

First-year, and Overall, Student Retention Rates (as of 7.15.2026)

Key Retention Assumption:

The retention assumption (UG 80% fall-to-fall) is maintained **as modeled** until implementation of the SOU Vitality Plan during academic year 2026-27 and impacts on specific majors can be quantified.

*This is **unchanged** from July's report submission.

Housing Occupancy Rate

Key Occupancy Assumptions:

Annual housing occupancy rates in the Cash flow model are projected as follows:

Assumptions	2027	2028	2029	2030
Housing rate increase	2.50%	2.50%	2.50%	2.50%
Housing Occupancy	80%	83%	85%	90%
Prior Occupancy Fill Rates	85%	87%	90%	90%

* This is **unchanged** from July's report submission.

Net Tuition and Other Revenue

Key Net Tuition and Other Revenue Assumptions:

As reported in July; the general increase seen across the analysis period for 'All Funds, All Other' is closely tied to projected increases in housing revenues. As discussed in July's Occupancy Assumption section, there are active measures being finalized to restore occupancy and thus revenues seen in 'All Other'. Aggregate increase estimates trending towards **+2.8% year-over-year** and are part of the cash flow model across all other revenue accounts reported. However, budgeted 'All other' remains consistent (\$53M) with the FY2026 budget for the ALL FUNDS budget.

* This is **unchanged** from July's report submission.

Savings Realized & Expected from adopted Resiliency & Vitality Plans

Key Resiliency Assumptions:

The SOU Resiliency Plan had two tranches of cuts. The key assumption for FY2027 is that all remaining cuts (**totaling: \$1,426,534**) will manifest in the Cash Flow as modeled.

Additionally, Vitality Plan cuts for 2027 (**totaling: \$2,748,024**) have been incorporated into the cash flow model; the bulk of these cuts being seen in labor savings illustrated in the pic below taken from the Cash Flow model.

Assumptions	Source & Notes	2026	2027	2028	2029
EST Resilience & Vitality Plan Sal + OPE Savings	Vitality Costing Tool				
5000:Classified Salaries		\$ (582,756.00)	\$ (1,441,723.00)	\$ (1,153,812.00)	\$ -
5100:Unclassified Salaries		\$ (1,692,142.00)	\$ (1,099,009.00)	\$ (806,353.00)	\$ -
5200:Faculty Salaries		\$ (1,058,298.00)	\$ (1,633,826.00)	\$ (1,842,884.00)	\$ (771,440.00)
		\$ (3,333,196.00)	\$ (4,174,558.00)	\$ (3,803,049.00)	\$ (771,440.00)

* This is **unchanged** from July's report submission.

Operating Expense Inflation Including Wages, Benefits, S&S

SALARY & WAGE PROJECTIONS

Key Salary & Wage Assumptions:

The wage increases seen below are not to be presumed as final. Negotiations are underway with SEIU (Classified) and pending for APSOU (Faculty). Until the future salary tables are agreed to, these values will be retained as placeholders for salary increases.

Assumptions	2027	2028	2029	2030
Unclassified	3%	3%	1%	1%
Classified	4.38%	4.00%	4.00%	4.00%
Faculty (& Adjunct)	3%	3%	3%	3%
Students (Regular & Grad assumed)	3.25%	3.25%	3.25%	3.25%

* This is **unchanged** from July's report submission, but will likely be updated for the September submission subsequent to the Classified CBA ratification.

FRINGE BENEFIT PROJECTIONS (Cash Flow and Budget)

Key Fringe Benefit Assumptions:

All Fringe Benefit calculations in the Cash Flow reflect the ratio of their respective category to the total of salary and wages unless an extreme and unanticipated change to healthcare premiums or retirement contributions occurs. Budgeted rates will also follow similar logic in modeling.

* This is **unchanged** from July's report submission.

JULY'S UPDATE TO ASSUMPTION: However, *budgeted and projected* fringes differ from Cash flow and should not be considered a de facto 1-for-1 dollar equivalent. When compiling the year-end actuals for FY2026 fringes, it has become apparent that actual charges are nearly 9% higher than forecasts have been showing. A variety of factors are likely influencing this difference including:

1. Faculty deferred pay calculations which happen once per year
2. Vacation Payouts related to Resiliency and Vitality Plan cuts
3. Compensated absences calculations that happen during year-end

These factors are notoriously difficult to project and are not calculated beforehand. While preparing this July's submission, a longitudinal analysis spotlighted that the average deviation between budget and actuals, ostensibly caused by these factors, is close to 9%. Modeling updates were incorporated to account for these in an aggregate fashion across all fringe calculations for projections and will be utilized for budget calculations going forward.

* This is **unchanged** from July's report submission.

Key Vendor Payments

Key Vendor Payment Assumptions:

The following vendors are assumed to require individual modeling outside of aggregate S&S with inflation target of **3.51%** added to their baseline 2026 projected expenses for the FY2027:

1. Elior (Aladdin Food Services),
2. P-Card processing (US Bank),
3. Risepoint,
4. La Clinica,
5. Ellucian,
6. Workday,
7. Foundation sponsored projects.

The following debt service payments are also scheduled on the cash flow, but **do not** have inflation adjustments to their schedules:

1. State of Oregon (Capital bonds),
2. Oregon Dept of Energy (SELP),
3. Workday Financing (American 1st Financial)

* This is **unchanged** from July's report submission.

Operating Deficit from Auxiliary Activities

Key Auxiliary Deficit Assumptions:

Auxiliary operations should target a higher degree of self-sufficiency. This takes time and deep restructuring of several areas as noted previously and discussed publicly. Currently, the university's cash flow model **assumes regular activities** with some offsets to Auxiliaries in the form of added SOU Foundation support of \$1M for FY2027 and FY2028.

* This is **unchanged** from July's report submission.

Row Definitions for the Standard Budget Report to the SOU Board of Trustees and HECC

ROW TITLES	Description of Row
Revenues	
Gross tuition and fees	All regular instructional tuition and mandatory enrollment (including incidental if on 'ALL Funds' report) fees, course fees, and differential tuition. Some fees (ex: Single Fee) are collected in E&G and redistributed periodically.
Less fee remissions	Remissions (scholarships) provided by SOU - 'tuition discounting'
Net Tuition & Fees	Sum of Tuition and Fees minus Remissions
State operating appropriations	Appropriations coming from Public University Support Fund (PUSF) via the Student Success and Completion Model (SSCM). Also includes unrestricted revenues from Engineering Technology Support Funds (ETSF)
State debt service appropriations	Also known as SELP = Small-scale Energy Loan Program
Indirect cost recovery	A portion of revenues recovered from grants for institutional support
All other	All other revenues not classified as above. Includes insurance recoveries, North Campus Village (CHF) land lease, fines and fees outside of mandatory included above. See full listing below for details.
Total revenues	Sum of Net Tuition and Fees, State Operating Appropriations, State Debt Service Appropriations, Indirect cost recovery, and All Other.
Expenses	
Salary & Wages	Salary, wages and reportable pay of Faculty, Classified Staff, Unclassified Staff and Student labor (excluding federal work study on E&G report)
Benefits: Health	Estimate of healthcare benefits paid to the Public Employee Benefits Board (PEBB)
Benefits: Retirement	Estimate of retirement benefits paid to the Public Employee Retirement System (PERS) and Oregon Retirement Plan (ORP)
Benefits: Other	Estimate of all other benefits paid on behalf of employee (e.g., workers comp, Oregon Paid Leave Act (OPLA), etc.)
Supplies & Services	All supplies and services purchased. See full listing below for ledger account details.
Capital Expenditures	Capitalized purchased greater than \$5,000 per item; generally, lab equipment or library books. Not related to buildings.
Institutional Student Aid	Aid provided to students to attend events sponsored by outside groups not covered by course fee; On 'ALL Funds' report, this includes foundation gifts.
Net Fund Transfers	Transfers in/out of E&G to support other campus areas. For E&G, these principally are Athletics, JPR, and Rec Center programming reimbursements.
Total expenses	Sum of all the above

Net Income (Loss)	Total Revenues minus Total Expenses
Margin As a % of Revenue	Net Income divided by Total Revenues - shows what percent of revenues were 'retained' into fund balance

Fund Balance Information

Beginning Fund Balance	Fiscal Year beginning balance - generally should be the same as the prior year's ending balance.
Additions/(Deductions)	Any additions or deductions outside of the regular course of business. Generally, will show one-time funding (income) or transfers out to cover large unplanned expenses in areas unrelated to the report's main fund type.
Ending Fund Balance	Sum of Net Income, Beginning Fund Balance, Additions/(Deductions)
Balance as a % of Revenue	Ending Fund Balance as a percent of total Revenues. Shows the relative strength of the operation.
Months of Operating Balance	How many months the fund(s) can remain solvent on fund balance alone if revenue generation ceased.
SHOULD NOT be conflated with Cash Flow or Cash balances.	

Additional Information

% of Revenue that is Tuition	Percent of Total Revenues that are tuition alone.
Remission Rate	Percent of tuition discounted.
Wages and Benefits as % of Total:	Total compensation as a percentage of total expense