

MONTHLY FINANCIAL UPDATE

For the period ending 9.30.2026

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 September 30, 2026

The 2026–27 academic year began with the start of fall term on September 23. This year also marks a significant milestone for Southern Oregon University with the launch of Workday Student. The transition has presented real challenges for faculty, students, and staff, but our campus community has once again demonstrated its resilience, collaboration, and commitment to moving forward together. As users become more familiar with the new system, we are beginning to see opportunities for improved processes, better access to information, and a broader shift in how the university conducts its work. While the transition is far from complete, these early developments are encouraging.

The beginning of fall term also represents an important turning point in the university's annual financial cycle. Enrollment, student credit-hour activity, housing occupancy, and other key operating measures are beginning to provide actual results against which our earlier budget assumptions can be evaluated. As this information becomes available and is validated, we will gain greater clarity about anticipated revenues, expenditures, and the university's overall financial outlook for fiscal year 2027 (FY2027).

This month's report introduces a new section, "Prospective Changes and Emerging Considerations," in response to a request from SOU's Board of Trustees for greater visibility into developments that may affect the university's future financial position. This section is intended to provide an early view of emerging issues, anticipated changes, and areas under active review by university management that may impact subsequent monthly reports. Information presented here should be understood as preliminary rather than final, with successive reports providing updates as circumstances evolve and additional information becomes available.

Finally, it is important to recognize that the quality of our financial reporting continues to evolve alongside the systems, processes, and people supporting it. Our finance and student services teams are refining forecasting models, improving data quality, and strengthening the information available to support institutional decisions. As new information emerges, some projections will change, and assumptions that once appeared reasonable may require adjustment. These refinements should not be viewed as inconsistencies, but as an essential part of maintaining an informed, responsive, and transparent financial planning process.

There is a familiar saying that captures this approach particularly well:

"Continuous improvement is better than delayed perfection."

~Mark Twain

That principle reflects both the work underway across our campus and our commitment to providing increasingly reliable, meaningful, and transparent financial information to those entrusted with SOU's future.

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.

Prospective Changes and Emerging Considerations

PRELIMINARY OUTLOOK FOR NEXT MONTH'S REPORT

Next month's report for the period ending 10/31/2026 will likely include a variety of important updates. Expected and potential updates include:

1. Full AY26/27 enrollment forecast update and associated revenue projection update
2. Assumptions for housing & dining revenue
3. Assumptions for future enrollment
4. Updates to labor estimates subsequent to SEIU contract ratification
5. Calculations related to updated guidance for handling the $15M state appropriation
6. Calculations related to Capital funding in the Cash Flow
7. Calculations related to Fringe Benefits (OPEs)
8. Updates to State appropriations subsequent to the final 'True-up' issued in October.

E&G Budget Updates

Changes from last reported FY2026 E&G projection:

1. **Revenues**
    a. **Gross Tuition & Fees:** No changes from the August report
    b. **Less Remissions:** No changes from the August report
    c. **Net Tuition & Fees:** No changes from the August report
    d. **State Operating Appropriations:** No changes from the August report
    e. **State Debt Service Appropriations:** No changes from the August report.
    f. **All Other:** In September, a revenue adjustment of ($398,876) was recognized in the Education & General (E&G) fund to reverse an automated overhead fee.

    Non-E&G operations are standardly assessed a 10% administrative overhead charge, recorded as E&G revenue within the "All Other" category to offset institutional support costs provided to these areas. During FY2026, the automated financial system applied this 10% fee to the Land Sales proceeds received in January 2026.

    To comply with the Board of Trustees' directive requiring that all proceeds from land sales remain in a fully intact reserve fund, management processed a full manual reversal of the automated overhead assessment.

2. **Expenses**
    a. **Salary & Wages:** Expenses grew by $144,277 relative to the August projection. This variance is driven by a required fiscal year-end adjustment for compensated absences.

    "Compensated absences" refer to paid leave (such as accrued vacation, sick time, etc.) that employees have earned through past service but have not yet taken or been paid out. GASB guidelines require public institutions to recognize the estimated long-term liability and matching wage expense for these accumulated benefits.

    Because full-year leave usage, carryforward balances, and wage rates must be finalized, this actuarial calculation is performed exclusively during the fiscal year-end close.
    b. **Benefits (Health, Retirement & Other categories):** No changes from the August report.
    c. **Supplies & Services:** No changes from the August report.
    d. **Capital Expenditures:** No changes from the August report.
    e. **Institutional Student Aid:** No changes from the August report.
    f. **Net Fund Transfers:** No changes from the August report.

3. **Net Income and Fund Balance**
    a. **Net Income (Loss):** FY2026 updated projection is now reporting a ($4.57M) loss; a negative change of -13.49% compared to the loss reported in August.
    b. **Ending Fund Balance:** The changes in revenue and expenses discussed above result in a net decrease to fund balance of ($543,103) compared to the August projection.

FY2026 E&G Actuals & End-of-Year Projections ('Soft Close' with updates 10.15.2026)

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 10.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 9.15.2026)	Current FY2026 Projection (as of 10.15.2026)	$ 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	3,176,101	86%	3,574,976	3,176,101	(398,876)	-11.2%
Total revenues	**62,829,601**	**66,264,111**	**64,105,125**	**97%**	**64,504,001**	**64,105,125**	**(398,876)**	**-0.6%**
Expenses								
Salary & Wages	32,615,263	32,300,000	31,950,069	99%	31,805,842	31,950,069	144,227	0.45%
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%	14,148,942	14,148,942	-	0.00%
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**	**68,674,706**	**102%**	**68,530,478**	**68,674,706**	**144,227**	**0.2%**
Net Income (Loss)	**(7,033,818)**	**(1,307,053)**			**(4,026,478)**	**(4,569,581)**	**(543,103)**	**-13.49%**
Margin As a % of Revenue	-11.2%	-2.0%			-6.2%	-7.1%		
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)**			**1,252,251**	**709,148**	**(543,103)**	
Balance as a % of Revenue	-5.67%	-5.08%			1.94%	1.11%		-0.84%
Months of Operating Balance	(0.7)	(0.6)			0.2	0.1	(0.1)	
Additional Information								
% of Revenue that is Tuition	50.5%	49.5%	49.0%		48.7%	49.0%		0.62%
Remission Rate	14.3%	13.6%	14.6%		14.6%	14.6%		0.00%
Wages and Benefits as % of Total:	74.8%	75.1%	75.8%		75.7%	75.8%		0.07%

Changes from last reported FY2027 E&G projections:

1. **Revenues**
    a. **Gross Tuition & Fees:** No changes from the August report.
        i. **NOTE:** As the term progresses, and credit hours are reported in the new Workday system, the estimate at the end of October will be updated to reflect the latest projections. The drop/add period was after the report date and material enrollment changes occur during the start of the term.
    b. **Less Remissions:** No changes from the August report.
    c. **Net Tuition & Fees:** No changes from the August report.
    d. **State Operating Appropriations:** No projected changes from the August report.
        i. **NOTE:** The potential exists for a material adjustment to projections subsequent to the 'True-up' later in the Fall term as announced to the Board at their October 16th 2026 meeting.
    e. **State Debt Service Appropriations:** No changes from the August report.
    f. **Indirect Cost recovery:** No changes from the August report.
    g. **All Other:** No changes from the August report.

2. **Expenses**
    a. **Salary & Wages:** Projections showing a further decline (-$405k or -1.32%) from August's report. This is reflective of lapsed salaries from additional unplanned vacancies.
    b. **Benefits (Health, Retirement & Other categories):** August's revision of fringe benefit projections are also seeing a decline (-$255k or -1.32%) which is directly related to the salary and wages projections seen above.
    c. **Supplies & Services:** Total S&S expenses showing a nominal (0.01%) projected change.
    d. **Capital Expenditures:** No changes from the August report.
    e. **Institutional Student Aid:** No changes anticipated; projections remaining at budget.
    f. **Net Fund Transfers:** No changes from the August budget.

3. **Net Income and Fund Balance**
    a. **Net Income (Loss):** FY2026 now projected at ($3.62M) loss; a positive development compared to the August report of over $658k and almost entirely related to savings from unplanned vacancies and associated fringes.
    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 $115k.
        i. **Note:** An expected change to Fund balance will occur in the October report. This is relative to handling of the $15M state appropriation and non-cash impact.

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 9.30.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.31.2026)	Current FY2027 Projection (as of 9.30.2026)	$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	36,834,902	34,039,772	15,202,669	45%	34,039,772	34,039,772	-	0.0%
Less fee remissions	(5,393,970)	(4,730,000)	(976,575)	21%	(4,730,000)	(4,730,000)	-	0.0%
Net Tuition & Fees	31,440,932	29,309,772	14,226,094	49%	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	156,140	39%	430,105	430,105	-	0.0%
All other	3,176,101	2,957,723	347,678	12%	2,957,723	2,957,723	-	0.0%
Total revenues	**64,105,125**	**62,394,812**	**25,414,449**	**41%**	**62,429,280**	**62,429,280**	**-**	**0.0%**
Expenses								
Salary & Wages	31,950,069	30,907,892	5,981,181	19%	30,701,258	30,295,613	(405,644)	-1.32%
Benefits: Health	8,142,453	7,244,435	1,444,609	20%	7,830,524	7,727,062	(103,462)	-1.32%
Benefits: Retirement	8,616,043	7,665,794	1,528,632	20%	8,285,972	8,176,492	(109,479)	-1.32%
Benefits: Other	3,315,041	2,949,431	588,144	20%	3,188,045	3,145,923	(42,122)	-1.32%
Supplies & Services	14,148,942	15,114,492	4,812,755	32%	15,388,155	15,390,430	2,275	0.01%
Capital Expenditures	26,248	30,000	332	1%	26,248	26,248	-	0.00%
Institutional Student Aid	47,842	-	20,800	0%	-	-	-	
Net Fund Transfers	2,428,068	1,286,153	80,682	6%	1,286,153	1,286,153	-	0.00%
Total expenses	**68,674,706**	**65,198,197**	**14,457,136**	**22%**	**66,706,355**	**66,047,922**	**(658,433)**	**-1.0%**
Net Income (Loss)	**(4,569,581)**	**(2,803,385)**			**(4,277,075)**	**(3,618,642)**	**658,433**	**15.39%**
Margin As a % of Revenue	-7.1%	-4.5%			-6.9%	-5.8%		
Fund Balance Information								
Beginning Fund Balance	(3,562,049)	709,148			1,252,251	709,148	(543,103)	-43.4%
Additions/(Deductions)	8,840,778	15,000,000			15,000,000	15,000,000	-	0.0%
Ending Fund Balance	**709,148**	**12,905,763**			**11,975,176**	**12,090,506**	**115,330**	
Balance as a % of Revenue	1.11%	20.68%			19.18%	19.37%		0.18%
Months of Operating Balance	0.1	2.5			2.3	2.3	0.0	
Additional Information	0.0%							
% of Revenue that is Tuition	49.0%	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:	75.8%	74.8%			75.0%	74.7%		-0.34%

Changes from last reported E&G Forecast through 2029:

For the September submission, no changes have been made for future year forecasts compared to the August report submission.

1. Future Year Projections
    a. **Revenue** future-year projection updates:
        i. For the period ending 9/30/2026, there are no future year projection changes.
        ii. Enrollment impacts relative to AY26/27 will be modeled in the subsequent report and a discussion of those presented here for the period ending 10/31/2026. Modeling occurs subsequent to census date data extracts.
    b. **Expense** future-year projection updates:
        i. For the period ending 9/30/2026, there are no future year projection changes related to any updated information or model in September.
        ii. It is expected that several changes will be modeled and discussed here in the report for the period ending 10/31/2026.
    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). This remains the same as from the 8/31/2026 report.

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 August report.
    b. **Less Remissions:** No changes from the August report.
    c. **Net Tuition & Fees:** No changes from the August report.
    d. **State Operating Appropriations:** No changes from the August report.
    e. **State Debt Service Appropriations:** No changes from the August report.
    f. **Indirect Cost recovery:** No changes from the August report.
    g. **All Other:** Similar to the August report, it 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 ($736k) decline compared to prior period reported reflects remaining transactions booked to other revenues during the accrual period; principally the reversal of internal assessments on the land sale as reported in E&G above and additionally an entry to deduct book value of the land and buildings to officially remove the assets from SOU's accounting system.
2. **Expenses**
    a. **Salary & Wages:** Expenses grew by $249,479 relative to the August projection. This variance is driven by a required fiscal year-end adjustment for compensated absences.

    "Compensated absences" refer to paid leave (such as accrued vacation, sick time, etc.) that employees have earned through past service but have not yet taken or been paid out. GASB guidelines require public institutions to recognize the estimated long-term liability and matching wage expense for these accumulated benefits.

    Because full-year leave usage, carryforward balances, and wage rates must be finalized, this actuarial calculation is performed exclusively during the fiscal year-end close.
    b. **Benefits (Health, Retirement & Other categories):** Unlike the E&G only perspective which shows Fringe changes relative to the salary & wages accrual entry, the 'All Funds' perspective, which includes the liability fund, is reporting no changes. This is because the net impact of fringes is across all funds (Debits = Credits) for the fringe liabilities that are recorded as a debt in the operating fund(s) and a credit in the accrual fund.
    c. **Supplies & Services:** The improvement (-$229k) recognized for September is the net of the reversal of internal assessments on land sales as described in the 'All Other' section above and other fixed asset adjustments in the year-end close process.
    d. **Capital Expenditures:** No changes from the August report.
    e. **Institutional Student Aid:** No changes from the August report.

f. **Net Fund Transfers:** No changes from the August report.

3. **Net Income and Fund Balance**
    a. **Net Income (Loss):** FY2026 now projected at $3.56M gain; a change of roughly -17.5% compared to August's submission.
        i. This is the overall net impact of the reclassification of land sales and compensated absences as described above.
    b. **Ending Fund Balance:** Institutional fund balances across the 'All Funds' perspective reduced by ($756,499k) to $82.29M after refining all adjustments were accounted for in the FY2026 review period ending 10/15/2026.

FY2026 All Funds Actuals & End-of-Year Projections ('Soft Close' with updates 10.15.2026)

	Final Prior FY	FY2026 BUDGET, YTD ACTUALS, END-OF-YEAR PROJECTIONS						
	FY2025	FY2026 BUDGET	FY2026 YTD Actuals (as of 10.15.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 9.15.2026)	Current FY2026 Projection (as of 10.15.2026)	$ 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	61,736,415	116%	62,472,572	61,736,415	(736,157)	-1.2%
Total revenues	**120,665,158**	**125,870,965**	**131,123,918**	**104%**	**131,860,075**	**131,123,918**	**(736,157)**	**-0.6%**
Expenses								
Salary & Wages	42,718,076	42,168,026	42,591,870	99%	42,342,390	42,591,870	249,479	0.59%
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	41,488,194	141%	41,717,331	41,488,194	(229,137)	-0.55%
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%**	**127,542,800**	**127,563,142**	**20,342**	**0.0%**
Net Income (Loss)	**(5,920,642)**	**27,965,947**			**4,317,275**	**3,560,776**	**(756,499)**	**-17.52%**
Margin As a % of Revenue	-4.9%	22.2%			3.3%	2.7%		
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**			**83,053,116**	**82,296,616**	**(756,499)**	
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					0.0%	0.0%		
% 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%	53.3%		0.35%

Changes from last reported FY2027 ALL FUNDS projections:

1. **Revenues**
    a. **Gross Tuition & Fees:** No changes from the August report.
    b. **Less Remissions:** No changes from the August report.
    c. **Net Tuition & Fees:** No changes from the August report.
    d. **State Operating Appropriations:** No changes from the August report.
    e. **State Debt Service Appropriations:** No changes from the August 29, 2026 adopted budget.
    f. **Indirect Cost recovery:** No changes from the August report.
    g. **All Other:** No major changes from the August report
        i. **NOTE:** This category will undergo significant change in the next report period ending 10/31/2026 due to updated guidance related to the accounting surrounding the $15M state appropriations that was received in mid-October.
2. **Expenses**
    a. **Salary & Wages:** Projections showing over $207k improvement from the August report. This is the collective savings from all fund sources for additional unplanned vacancies and lapsed salaries.
    b. **Benefits (Health, Retirement & Other categories):** Projections showing a combined $134k improvement from the August report; again related to new unplanned vacancies and lapsed salaries.
    c. **Supplies & Services:** Total S&S expenses projecting no significant changes compared to the August report.
    d. **Capital Expenditures:** Changes to from the August projection calculations include an updated annual estimate resulting in $92,678 increase to be more in alignment with actuals experienced the last three fiscal years. This is only notable in that the percent change is significant; the dollar amount is within normal ranges seen in this category.
    e. **Institutional Student Aid:** As financial aid begins to cycle into the system, a rough estimate for the effects of pass-through financial aid is now taking shape and presented as an *early projection* that is very much in alignment with the previous fiscal year.
    f. **Net Fund Transfers:** No changes from the August report across all operating funds.

3. **Net Income and Fund Balance**
    NOTE: As previously noted, the ALL FUNDS report remains under refinement. The September report estimates include significate updates to the Institutional Student Aid estimates which shifts projections more in alignment with FY2026 actuals.
    a. **Net Income (Loss):** FY2027 projecting decline (-$17.4M | 144.25%) change from August.
        i. **NOTE:** This is an EXPECTED change in projections as financial aid begins to cycle into the system relative to student accounts at the start of term in September. Projections prior to September would have had no basis in fact up to that point and would have materially misrepresented expenses.
    a. **Ending Fund Balance:** Fund balance changes relative to the net income reflect the changes in net income and the additional $15M state appropriation.

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 9.30.2026)	YTD Actuals % of Budget	Last Reported Projection (as of 8.31.2026)	Current FY2027 Projection (as of 9.30.2026)	$ Changes from Last Projection	% Change from Last Projection
Revenues								
Gross tuition and fees	43,927,399	40,629,772	15,360,502	38%	40,629,772	40,629,772	-	0.0%
Less fee remissions	(5,573,070)	(4,900,000)	(1,153,863)	24%	(4,900,000)	(4,900,000)	-	0.0%
Net Tuition & Fees	38,354,329	35,729,772	14,206,639	40%	35,729,772	35,729,772	-	0.0%
State operating appropriations	30,463,351	30,988,367	25,998,709	84%	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	164,520	39%	430,105	430,105	-	0.0%
All others	61,736,415	53,000,000	12,631,401	24%	53,000,000	52,999,444	(556)	0.0%
Total revenues	**131,123,918**	**120,317,299**	**53,046,059**	**44%**	**120,327,404**	**120,326,849**	**(556)**	**0.0%**
Expenses								
Salary & Wages	42,591,870	40,692,146	8,567,645	21%	40,657,707	40,449,958	(207,750)	-0.51%
Benefits: Health	10,290,845	9,903,602	2,020,270	20%	10,689,026	10,634,408	(54,618)	-0.51%
Benefits: Retirement	10,889,392	10,479,627	2,137,775	20%	11,310,733	11,252,938	(57,795)	-0.51%
Benefits: Other	4,189,717	4,032,059	822,514	20%	4,351,829	4,329,592	(22,237)	-0.51%
Supplies & Services	41,488,194	41,500,000	9,911,040	24%	41,211,836	41,201,804	(10,031)	-0.02%
Capital Expenditures	215,232	30,000	30,473	102%	26,248	118,926	92,678	353.09%
Institutional Student Aid	17,808,843	64,050	5,204,511	8126%	-	17,685,146	17,685,146	
Net Fund Transfers	89,048	-	179	0%	-	-	-	
Total expenses	**127,563,142**	**106,701,484**	**28,694,408**	**27%**	**108,247,379**	**125,672,773**	**17,425,394**	**16.1%**
Net Income (Loss)	**3,560,776**	**13,615,815**			**12,080,026**	**(5,345,925)**	**(17,425,950)**	**144.25%**
Margin As a % of Revenue	2.7%	11.3%			10.0%	-4.4%		
Fund Balance Information								
Beginning Fund Balance	78,735,841	82,296,616			83,053,116	82,296,616	(756,499)	-0.9%
Additions/(Deductions)		15,000,000			15,000,000	15,000,000	-	0.0%
Ending Fund Balance	**82,296,616**	**110,912,432**			**110,133,141**	**91,950,692**	**(18,182,450)**	
Balance as a % of Revenue	62.76%	92.18%			91.53%	76.42%		-15.11%
Months of Operating Balance	7.5	11.1			11.0	9.2	(1.8)	
Additional Information								
% of Revenue that is Tuition	29.3%	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:	53.3%	61.0%			61.9%	53.0%		-14.31%

Changes from last reported ALL FUNDS Forecast through 2029:

For the September submission, no changes have been made for future year forecasts compared to the August report submission.

1. Future Year Projections
    a. **Revenue** future-year projection updates:
        i. For the period ending 9/30/2026, there are no future year projection changes.
        ii. Enrollment impacts relative to AY26/27 will be modeled in the subsequent report and a discussion of those presented here for the period ending 10/31/2026. Modeling occurs subsequent to census date data extracts.
    b. **Expense** future-year projection updates:
        i. For the period ending 9/30/2026, there are no future year projection changes related to any updated information or model in September.
        ii. It is expected that several changes will be modeled and discussed here in the report for the period ending 10/31/2026.
    c. **Fund Balance** future-year projection updates:
        i. Net Losses from operations in both future fiscal years will be absorbed by fund balance which is projected to remain positive throughout the next biennium (FY2028/29). This remains the same as from the 8/31/2026 report.
        ii. Future year ending fund balance projections **do** change for this report relative to the overall projected change for the FY2027 ending fund balance and reflect the updates to Institutional Student Aid present in FY2027 as discussed earlier in section titled “Changes from last reported FY2027 ALL FUNDS projections”

All Funds Forecast Update through FY2029

		FUTURE FISCAL YEAR PROJECTIONS						
	Current FY2027 Projection (as of 9.30.2026)	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	52,999,444	53,859,489	859,489	1.62%	54,510,949	651,460	1.21%
Total revenues	**120,326,849**	**120,682,301**	**365,002**	**0.30%**	**123,516,822**	**2,834,522**	**2.35%**
Expenses							
Salary & Wages	40,449,958	39,741,850	(950,296)	-2.34%	40,426,554	684,704	1.72%
Benefits: Health	10,634,408	10,448,245	544,642	5.50%	10,628,255	180,011	1.72%
Benefits: Retirement	11,252,938	11,055,947	576,320	5.50%	11,246,428	190,481	1.72%
Benefits: Other	4,329,592	4,253,799	221,741	5.50%	4,327,087	73,288	1.72%
Supplies & Services	41,201,804	42,457,000	957,000	2.31%	42,947,000	490,000	1.15%
Capital Expenditures	118,926	31,000	1,000	3.33%	32,000	1,000	3.23%
Institutional Student Aid	17,685,146	-	(64,050)	-100.00%		-	
Net Fund Transfers	-	-	-		-	-	
Total expenses	**125,672,773**	**107,987,841**	**1,286,357**	**1.21%**	**109,607,324**	**1,619,483**	**1.50%**
Net Income (Loss)	**(5,345,925)**	**12,694,460**	**(921,356)**	**6.77%**	**13,909,498**	**1,215,039**	**-9.57%**
Margin As a % of Revenue	-4%	11%			11%		
Fund Balance Information							
Beginning Fund Balance	82,296,616	91,950,692	9,654,075	12%	104,645,151	12,694,460	14%
Additions/(Deductions)	15,000,000		(15,000,000)	-100%		-	
Ending Fund Balance	**91,950,692**	**104,645,151**	**(6,267,280)**	**-6%**	**118,554,650**	**13,909,498**	**13%**
Balance as a % of Revenue	76.42%	86.71%		-5.47%	95.98%		9.27%
Months of Operating Balance	9.2	10.4	(0.7)		11.5	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:	53.0%	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 August and September

While August cash flows closely aligned with forecasts, September experienced a noticeable variance. Net cash growth for September was $1.9M, representing approximately 50% of the projected $3.8M increase.

The primary factors driving this $1.9M variance fall into two categories: timing shifts in student fee collections and cash inflows from the SOU Foundation.

Student revenue inflows were lower than projected due to two interrelated factors:

1. Academic Term & Billing Straddle**:** Student fee payment forecasting assumes standard three-month installment increments per term. Because the start of the term does not perfectly align with calendar month-ends, collections for fall term straddle September and October.
2. Workday Student Implementation Delays**:** Implementation of the Workday Student system delayed tuition and fee assessments by approximately one week. There were additional delays related to financial aid packaging, processing, and refund disbursements, pushing student payment timelines further out than normal.

The decline in student collections was partially mitigated by a positive variance in Foundation transfers. The SOU Foundation completed all remaining expense reimbursements owed for FY2026 and provided funding for some FY2027 initiatives. Foundation transfers exceeded September projections by $1.7M.

Future Forecasting

No significant updates have been made to the model at this time. To improve cash flow forecasting accuracy for the remainder of FY2027, the next cash flow projection will incorporate the following recalibrations:

- Enrollment Recalibration: Cash projections for the remainder of the academic year will be updated using Fall term actual enrollment data, which is coming available shortly.
- Capital Construction Tracking: Due to recent increases in construction activity, capital projects and recoveries will be integrated into the monthly cash flow projection model.
- Auxiliary Revenue Alignments: Projections for Housing Occupancy and Dining Services will be adjusted to reflect actual enrollment and occupancy figures.

These changes will occur with the updated October cash flow projections.

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

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 August's report submission; readers should expect noteworthy changes in the coming report for the period ending 10/31/2026.

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 August'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 August's report submission, however, readers should expect a forthcoming update in the report for period ending 10/31/2026.

Net Tuition and Other Revenue

Key Net Tuition and Other Revenue Assumptions:

As reported in August; 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 August'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 August's report submission; readers should expect noteworthy changes in the coming report for the period ending 10/31/2026.

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 August'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 August'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 August's report submission.

REMINDER ON AUGUST'S UPDATE TO THIS 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 became 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 August'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 August's report submission and the updates were incorporated into models.

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 August's report submission, however readers will note that updates are expected in the forthcoming report for the period ending 10/31/2026.

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 August'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