

**HOLYOKE COMMUNITY COLLEGE
OFFICE OF THE COMPTROLLER
MEMORANDUM**

TO: Trustee Finance Committee
FROM: Marcia L. Mitchell, Comptroller
DATE: January 17, 2019
SUBJECT: Second Quarter Statement of Revenues and Expenses (FY 2019)

Attached is the second quarter statement of revenues and expenses for both our state maintenance appropriation and college trust funds covering the period July 1, 2018 through December 31, 2018. I hereby certify that to the best of knowledge and belief all funds expended were in compliance with the rules and regulations for trust funds and state finance law.

Financial Highlights - Overall, total revenues are 2.97% unfavorable (down \$906,270) and total expenses are 0.04% favorable (down \$7,854) compared to the same period in the prior year.

Tuition and Fee (T&F) revenue is 5.87% or \$1,155,231 unfavorable compared to the prior year. This is due to a decline in FTE from prior year of 8.5% in the fall and 7.6% in the spring as of January 14th. This decline is partially offset by a per credit fee increase of 3.1% or a \$10 per credit hour along with an increase of \$5 dollars per credit hour for distance learning (online) courses. The FY19 T&F budget is \$21,966,986; \$459,109 or 2% lower than prior year. Based on the first half T&F decline compared to last year, we are currently projecting T&F revenue to shortfall budget by \$1.2 million.

State Appropriation reflects an increase of 2.89% or \$293,334 is due to timing and fully utilizing available state funds to maximize available cash. Our unrestricted state appropriation is projected to be at the budgeted \$21,347,289.

Private gifts and grants revenue and expense are not reflected in this report. Grant activity has negatively impacted the College in the first half of the year as the state comptroller dictated that state funded grants be accounted for in the state's accounting system that has resulted in funds not being available. Year to date, the College has had to advance approximately \$125,000.

Investment revenue is not reflected in this report. Estimated returns to date are a market loss of \$220,000.

Business and Community Services revenue is favorable to the prior year by 14.13% or \$37,325 principally due to higher testing fees. Revenue is currently at 34.51% of budget.

Administrative Allowance revenue which is derived from indirect cost recovery from grant activity is unfavorable to prior year by 57.25% or \$81,486. This variance is due to timing. The full year is projected to be on budget.

Auxiliary enterprises revenue (bookstore) is comparable to prior year.

Compensation and Benefit expense is 2.89% or \$495,613 favorable to the prior year and is tracking slightly favorable as a percent of budget at 49.72%. Also, due to the state grant funding delay mentioned above the Colleges compensation expense would have been even lower by \$125,000. Last year at this time the first half represented almost 53% of budget. We are analyzing closely our full and part-time staffing to determine opportunities to offset our revenue shortfalls. This may entail delaying or not backfilling open positions and carefully reviewing part-time staffing requests.

Supplies and Services is 10.26% or \$455,910 unfavorable to prior year and are tracking at 49.72% as a percent of budget. While tracking at budgeted levels, we will be investigating eliminating or delaying expenses to offset the revenue shortfall.

Scholarship and Fellowship expenditure is favorable by 25.62% or \$39,317. We are projecting this expense to be on budget.

Auxiliary enterprises expenditure (bookstore) is unfavorable by 2.6% or \$8,240 compared to last year largely due to timing of inventory purchases. We are projecting favorable net results to budget of \$50,000.

Recommended Motion: *Move that the Finance Committee recommend to the Board of Trustees to approve the Second Quarter Statement of Revenue and Expenses as presented.*

c: President Christina Royal, William Fogarty

QUARTERLY STATEMENT OF TRUST FUND AND STATE MAINTENANCE APPROPRIATION REVENUE AND EXPENSES

Second Quarter FY 2019 (October 1, 2018 - December 31, 2018)

	Annual Budget		Current Year - 2019		Percent of Budget		Prior Year - 2018		Percentage Inc./ (Dec.)
	Trust Funds	State Approp.	Trust Funds	State Approp.	Trust Funds	State Approp.	Trust Funds	State Approp.	
Revenues:									
State Appropriation	21,347,289		10,431,786		48.87%		10,138,452		2.89%
Tuition and Fees	21,966,586		18,511,672		84.27%	19,666,903		19,666,903	(5.87%)
Business and Community Service	873,676		301,467		34.51%	264,142		264,142	14.13%
Administrative Allowance	295,000		60,845		20.63%	142,331		142,331	(57.25%)
Total educational and general revenue:	44,482,551		18,873,984		65.88%	20,073,376		10,138,452	(3.00%)
Auxiliary enterprises (Bookstore)	460,000		265,679		57.76%	265,891		265,891	(0.08%)
Total Revenues	44,942,551		19,139,663		65.80%	20,339,267		10,138,452	(2.97%)
Expenditures:									
Compensation and Benefits	33,471,697		6,210,476		49.72%	6,999,423		10,138,452	(2.89%)
Supplies and Services	11,137,196		4,899,950		44.00%	4,444,040		4,444,040	10.26%
Scholarship and Fellowship	709,600		192,782		27.17%	153,465		153,465	25.62%
Total educational and general expenditures	45,318,493		11,303,208		47.96%	11,596,928		10,138,452	(0.00%)
Compensation and Benefits	324,514		180,705		55.68%	178,178		178,178	1.42%
Supplies and Services	249,544		144,108		57.66%	138,395		138,395	4.13%
Scholarship and Fellowship	0		0		N/A	0		0	N/A
Total Auxiliary enterprises (Bookstore)	574,458		324,813		56.54%	316,573		316,573	2.60%
Total Expenditures	45,892,551		11,628,021		48.07%	11,913,501		10,138,452	0.04%
Reserve Draw & Revolving Fund	950,000		950,000			1,500,000		1,500,000	
Net Revenue/(Expense)	0		8,461,642		N/A	9,925,766		0	(14.75%)