

**HOLYOKE COMMUNITY COLLEGE
OFFICE OF THE COMPTROLLER**

MEMORANDUM

TO: Trustee Finance Committee
FROM: Marcia L. Mitchell, Comptroller
DATE: January 19, 2017
SUBJECT: Second Quarter Statement of Revenues and Expenses (FY 2017) – PROPOSED ALTERNATE FORMAT

Last quarter, we promised to deliver you an alternate format that reflects the way we manage the college's operating finances, as well as being more "user friendly" in terms of presentation to you. This format is a combination of our regular monthly tracking against budget, along with expense tracking in natural classifications as opposed to the IPEDS format used in the traditional Quarterly Report format. We are pleased to deliver this report and look forward to discussing it with you.

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, 2016 through December 31, 2016. 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 2.5% unfavorable (\$818,389) and total expenses are 4.7% favorable (\$1,113,125) compared to the same period in the prior year.

Tuition and fee revenue is 2.2% or \$447,152 unfavorable compared to the prior year. This is due to a fall credit hour enrollment decline of 8.4%, and a projected 9% enrollment decline in the spring semester, offset by fee increases \$15 per credit hour.

State appropriation revenue and expenses reflect an increase of 2.7% due to collective bargaining increases.

Other Sources revenue that includes Business and Community Service (BCS) and Administrative Allowance (AA) revenue is higher by 16.8% or \$57,486. Business & Community Service revenue is comparable to the prior year, higher by 2% or \$3,273. Administrative Allowance revenue is favorable by 73.7% or \$42,582 compared to prior year and is attributable to timing.

Investment revenue is significantly favorable to prior year by 321% or \$636,847 due favorable market trends in the first quarter.

Restricted grant revenue is significantly lower to prior year due to the prior being impacted by the Foundation's gift for the Center for Health Education (CHE). Due to timing, revenue is lower than expenses by \$288,511. For the full year, revenue will equal expenses.

Auxiliary Enterprises revenue (bookstore) is unfavorable to the prior year, decreasing 10.2% or \$162,723. This may be a reflection of the use of Open Educational Resources (OER), market competition, and lower enrollment.

Compensation and Benefit expenses (excluding bookstore & restricted grants) are 1.32% unfavorable to prior year due to retroactive payments to MCCC faculty and professional staff, partially offset by open positions.

Supplies and Services expenses (excluding bookstore & restricted grants) are favorable to the prior year by 17.4% or \$753,185.

Scholarship and Fellowship expenses (excluding restricted grants) are nearly flat at 1.7% or \$4,880 favorable to the prior year.

Restricted Grant expenses are 10.4% lower or \$44,600 compared to prior year. Scholarship expenses were lower by \$53,456 or 66.6% and supply and services expenses were lower by 3.2% or \$1,806. These lower costs were offset by higher compensation and benefit costs by \$10,662. Grant expenses exceed grant revenue by \$288,511 and will be offset equally by revenue for the full year.

Auxiliary enterprises expenditure (bookstore) is significantly favorable by 30.8 % or \$532,118 due primarily to the conversion of the model to online book sales through a third party vendor thereby virtually eliminating textbook inventory. Total expenses are projected to be \$1,860,200; approximately \$1 million lower than the prior year due to the new model.

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

c: President Christina Royal, William Fogarty

HOLYOKE COMMUNITY COLLEGE

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

Second Quarter FY 2017 (July 1, 2016 - December 31, 2016)

PROPOSED ALTERNATE FORMAT

	FY 2017		Current Year - 2017		Percent of Budget		Prior Year - 2016		Current Yr. to Prior Yr.	
	Approved Budget	Trust Funds	State Approp.	Total	Trust Funds	State Approp.	Trust Funds	State Approp.	Total	% Inc./Dec.
Revenues:										
Educational and general revenues:										
State Appropriation	19,957,113		9,846,321	9,846,321	49.34%		9,586,626	9,586,626	9,586,626	2.71%
Tuition and Fees	23,982,500	20,360,331	399,803	20,760,134	84.90%	20,807,483	20,807,483	20,807,483	20,807,483	(2.15%)
Other Sources	995,000	399,803	438,745	838,548	40.18%	342,317	342,317	342,317	342,317	16.79%
Investment Income*	0	438,745	0	438,745	N/A	-198,102	-198,102	-198,102	-198,102	321.47%
Reserve Draw & Revolving Fund	203,125	0	0	0	0.00%	0	0	0	0	N/A
Total educational and general revenues	45,137,738	21,198,879	9,846,321	31,045,200	68.78%	20,951,698	9,586,626	30,538,324	30,538,324	1.66%
Restricted Trusts (Grants)	0	96,604	0	96,604	N/A	1,259,146	1,259,146	1,259,146	1,259,146	(92.33%)
Auxiliary enterprises (Bookstore)	2,160,200	1,426,426	0	1,426,426	66.03%	1,589,149	0	1,589,149	1,589,149	(10.24%)
Total Revenues	47,297,938	22,721,909	9,846,321	32,568,230	68.86%	23,799,993	9,586,626	33,386,619	33,386,619	(2.45%)
Expenditures:										
Educational and general expenditures:										
Compensation and Benefits	34,102,420	7,204,197	9,846,321	17,050,518	50.00%	7,242,234	9,586,626	16,828,860	16,828,860	1.32%
Supplies and Services	10,319,368	3,587,619	0	3,587,619	34.77%	4,340,804	0	4,340,804	4,340,804	(17.35%)
Scholarship and Fellowship	1,015,950	282,008	0	282,008	27.76%	286,868	0	286,868	286,868	(1.70%)
Total educational and general expenditures	45,437,738	11,073,824	9,846,321	20,920,145	46.04%	11,869,926	9,586,626	21,456,552	21,456,552	(2.50%)
Restricted Trusts (Grants) Expenditures:										
Compensation and Benefits	0	302,811	0	302,811	N/A	292,149	0	292,149	292,149	3.65%
Supplies and Services	0	55,529	0	55,529	N/A	57,335	0	57,335	57,335	(3.15%)
Scholarship and Fellowship	0	26,775	0	26,775	N/A	80,231	0	80,231	80,231	(66.63%)
Total Restricted Trusts (Grants) Expenditures	0	385,115	0	385,115	N/A	429,715	0	429,715	429,715	(10.36%)
Auxiliary enterprises (Bookstore)	392,300	196,985	0	196,985	50.21%	235,933	0	235,933	235,933	(16.51%)
Supplies and Services	1,467,900	995,279	0	995,279	67.80%	1,488,449	0	1,488,449	1,488,449	(33.13%)
Scholarship and Fellowship	0	0	0	0	N/A	0	0	0	0	N/A
Total Auxiliary enterprises (Bookstore)	1,860,200	1,192,264	0	1,192,264	64.09%	1,724,382	0	1,724,382	1,724,382	(30.86%)
Total Expenditures	47,297,938	12,651,203	9,846,321	22,497,524	47.57%	14,024,023	9,586,626	23,610,649	23,610,649	(4.71%)
Net Revenue/(Expense)	0	10,070,706	0	10,070,706	N/A	9,775,970	0	9,775,970	9,775,970	3.01%

For Q-1 FY17, Q-2 results not available at time of publication.

**HOLYOKE COMMUNITY COLLEGE
OFFICE OF THE COMPTROLLER**

MEMORANDUM

TO: Trustee Finance Committee

FROM: Marcia L. Mitchell, Comptroller

DATE: January 17, 2017

SUBJECT: Second Quarter Statement of Revenues and Expenses (FY 2017) - STANDARD HISTORICAL FORMAT

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, 2016 through December 31, 2016. 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 2.45% unfavorable (off \$818,393) and total expenses are 4.71% favorable (off \$1,113,129) compared to the same period in the prior year.

Tuition and fee revenue is 2.15% or \$447,152 unfavorable compared to the prior year. This is due to a fall credit hour enrollment decline of 8.4%, and a projected 9% enrollment decline in the spring semester, offset by fee increases \$15 per credit hour.

State appropriation revenue reflects an increase of 2.71% due to collective bargaining funding appropriation increase.

Private gifts and grants revenue is significantly unfavorable to the prior year. The prior year was significantly inflated by Foundation contributions for the Center for Health Education (CHE).

Investment revenue is significantly favorable (321% or \$636,847) compared to last year due to market volatility.

Other sources revenue is favorable to the prior year by 16.8% or \$57,486 due to timing differences.

Auxiliary enterprises revenue (bookstore) is unfavorable to the prior year, decreasing 10% or 162,723. This may be a reflection of the use of Open Educational Resources (OER), and could also be the result of increases in textbook prices.

Instructional and Student Services expenses are nearly flat at .48% and .1% unfavorable to prior year, respectively, due to filling open and new positions, offset by close management of part-time instructional staffing.

Academic Support expense is unfavorable to the prior year by 11.9% or \$189,242, principally due to filling open and new positions related to Student Success initiatives.

Operation and maintenance of plant expenses is favorable to the prior year, decreasing 18.6% or \$544,633. This is a reflection of decline in capital spending as well as staff involvement in significant capital projects, preventing the completion of local projects.

Institutional support expense is favorable by 3.1% or \$122,806 to the prior year, due principally to unit contract increases and by the timing of increased marketing expenses in an effort to improve enrollment.

Scholarship and Fellowship expenditure is favorable by 15.9% or \$58,336 to the prior year. We are projecting that expenditures will be comparable to the prior year.

Auxiliary enterprises expenditure (bookstore) is significantly favorable by 30.8 % or \$530,792, due primarily to the conversion of the model to online book sales through a third party vendor. Total expenses are projected to be \$1,860,200, approximately \$1 million lower than the prior year due to the new model.

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

HOLYOKE COMMUNITY COLLEGE

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

Second Quarter FY 2017 (July 1, 2016 - December 31, 2016)

STANDARD HISTORICAL FORMAT

	Current Year - 2017		Prior Year - 2016		Percentage Inc./Dec.
	Trust Funds	State Approp.	Trust Funds	State Approp.	
Revenues:					
Educational and General:					
Tuition and Fees	20,360,331	9,846,321	20,807,483	9,586,626	(2.15%)
State Appropriation	96,604		1,259,146		2.71%
Private gifts and grants	438,745		-198,102		(92.33%)
Investment income*	399,803		342,317		321.47%
Other Sources					16.79%
Total educational and general revenues	21,295,483	9,846,321	22,210,844	9,586,626	(2.06%)
Auxiliary enterprises	1,426,426		1,589,149		(10.24%)
Total Revenues	22,721,909	9,846,321	23,799,993	9,586,626	(2.45%)
Expenditures and Mandatory transfers:					
Educational and General:					
Instruction	4,085,507	4,513,663	4,301,136	4,339,350	(0.48%)
Public Service	0	0	0	0	N/A
Academic Support	954,616	825,806	847,219	743,961	11.89%
Student Services	2,601,247	1,768,774	2,585,158	1,779,347	(0.10%)
Operation and maintenance of plant	1,392,439	995,758	1,959,766	973,064	(18.57%)
Institutional Support	2,116,348	1,752,319	2,240,568	1,750,904	(3.08%)
Scholarship and fellowship	308,783	0	367,119	0	(15.89%)
Total educational and general expenditures	11,458,939	9,846,321	12,300,966	9,586,626	(2.66%)
Auxiliary enterprises	1,192,264		1,723,057	0	(30.81%)
Total Expenditures	12,651,203	9,846,321	14,024,023	9,586,626	(4.71%)

*For Q-1 FY17, Q-2 results not available at time of publication