

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

TO: Trustee Finance Committee
FROM: Curt Foster, Comptroller
DATE: October 27, 2020
SUBJECT: First Quarter Statement of Revenues and Expenses (FY 2021)-Revised

Attached is the first quarter statement of revenues and expenses for both our state maintenance appropriation and college trust funds covering the period July 1, 2020 through September 30, 2020. 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 8.05% unfavorable (down \$1,436,504) and total expenses are 11.69% favorable (down \$1,408,070) compared to the same period in the prior year.

Tuition and Fee (T&F) revenue is 15.4% or \$1,588,391 unfavorable compared to the prior year. This is due to a 17.2% decline in FTE from prior year partially offset by a per credit fee increase of \$11 per credit hour or 4%. The FY21 T&F budget is \$17,200,229; \$2,942,497 or 14.6% lower than prior year. Year-to-date T&F revenue is 50.86% of the full year budget. While this represents a slightly favorable outcome, the COVID 19 pandemic continues our concern regarding spring enrollment.

State Unrestricted Appropriation reflects an increase of 3.3% or \$252,875 and is due to the timing of state funded payroll. Our state appropriation is budgeted at \$29,564,046 which is based on our FY20 original appropriation that excluded supplemental funding for unit pay increases. The Governor's recently released H.2 if passed by the legislature would represent an additional \$1.0 Million and level funding compared to last year.

Private gifts and grants revenue is unbudgeted and not reflected in the Statement of Revenues and Expenses. Revenue and for the first quarter is \$757,858 or \$213,998 lower than prior year and is principally due to timing.

Investment results are not fully available and will be presented in next quarter's report.

Business and Community Services revenue is unfavorable to the prior year by \$92,517 or 65% principally due to a reduction in non-credit fee income. Revenue is currently at 3.48% of budget.

Administrative Allowance revenue which is derived from indirect cost recovery from grant activity is unfavorable to prior year by \$8,471 or 72.76%. This variance is due to timing. The full year is projected to be on budget.

Auxiliary enterprises revenue (bookstore) is unfavorable to the prior year, decreasing \$18,011 or 94.25%. This is due to the college store model changing. The current revenue reflects Barnes & Noble commissions. In addition to text book commissions, prior year first quarter revenue reflected vending, supply, and sundry sale commissions.

Compensation and Benefit expense is 1.1% or \$510,602 favorable to the prior year. We are analyzing closely our full and part-time payroll to identify opportunities to align our staffing with current enrollment levels.

Supplies and Services is 38.4% or \$813,552 favorable to prior year and is tracking at 12% of budget. This reduction represents budgeted cuts and as a percent of budget is only slightly favorable to prior year's 14.3%. The college has experienced significant infrastructure failures requiring emergency repairs to the Kittredge steam line and one of the waste line pumping units. The low to mid six figure cost may be able to be recouped from the state.

Scholarship and Fellowship expenditure is unfavorable by 30.5% or \$7,988. We are projecting this expense to be on budget.

Auxiliary enterprises expenditure (bookstore) is favorable by 100% or \$91,904 due to the privatization of the bookstore.

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

cc: President Christina Royal, Narayan Sampath