

**HOLYOKE COMMUNITY COLLEGE  
BOARD OF TRUSTEES  
AUDIT AND FINANCE COMMITTEE**

**MINUTES of October 11, 2018**

**Frost Building, 309 Conference Room**

**MEMBERS PRESENT:** Robert Gilbert, Charles Epstein, Ted Hebert and Evan Plotkin

**MEMBERS NOT PRESENT:** Suzanne Parker and Julie Pokela

**OTHERS PRESENT:** Christina Royal, President; William Fogarty, Vice President for Administration and Finance, Amanda Sbriscia, Vice President of Institutional Advancement; Marcia Mitchell, Comptroller; Curt Foster, Interim Assistant Comptroller; David DiIulis, O'Connor & Drew, and Karen Desjeans, Staff Associate

The meeting was called to order by Chair Gilbert at 8:10 a.m.

**Approval of Audit Committee Meeting Minutes of October 12, 2017**

Meeting minutes from the October 12, 2017 meeting was approved unanimously. A motion was made by Trustee Hebert, seconded by Chair Gilbert.

**Approval of Audit and Finance Committee Meeting Minutes of August 28, 2018**

Meeting minutes from the August 28, 2018 meeting was approved unanimously. A motion was made by Trustee Plotkin, seconded by Trustee Hebert.

**FY 2018 Audited Financial Statements, presented by O'Connor & Drew**

Comptroller Mitchell provided an overview of the audit process and updated the Committee about the state still making changes to the OPEB (Postemployment Benefits Other than Pensions) so the statements will continue to be draft until these numbers become final. She then introduced, Mr. David DiIulis from O'Connor & Drew, P.C., who presented the draft audited financial statements for fiscal year 2018. O'Connor & Drew is providing an unqualified opinion with no material weaknesses.

Mr. DiIulis discussed required communications through the handout, noting the unqualified opinion and no material weakness/significant deficiencies.

Some highlights included a discussion of what the OPEB means to the College and the new GASB Pronouncement of GASB Statement 87 – Leases.

It was suggested to bring the final FY 18 audited financial statements before the full Board of Trustees at the November 2018 meeting.

**MOTION**

To accept the draft FY 18 audited financial statements as presented, and to authorize incorporation of non-material revisions as provided by the Commonwealth related to Other Post-Employment Benefits (OPEB).

A motion was made by Trustee Epstein, seconded by Trustee Hebert; and approved unanimously.

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Old Business

None

The meeting adjourned at 9~~7~~39 a.m.

Respectfully submitted,

William Fogarty  
Vice President for Administration and Finance

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

**TO:** Trustee Finance Committee  
**FROM:** Curt C. Foster, Interim Assistant Comptroller  
**DATE:** October 17, 2018  
**SUBJECT:** First Quarter Statement of Revenues and Expenses (FY 2019)

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, 2018 through September 30, 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 6.15% unfavorable (down \$1,030,118) and total expenses are 3.52% unfavorable (up \$352,916) compared to the same period in the prior year.**

**Tuition and Fee (T&F) revenue** is 6.0% or \$685,249 unfavorable compared to the prior year. This is due to a 8.5% decline in FTE from prior year 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. Actual fall T&F net of waivers in FY18 were \$11,428,283 and represented 51% of the full-year T&F of \$22,426,095. The FY19 T&F budget is \$21,966,986; \$459,109 or 2% lower than prior year. Based on a 2% budgeted decline compared to last year, we are currently projecting T&F revenue to shortfall budget by \$457K provided spring and summer achieve budgeted levels. If spring and summer experience comparable declines, the T&F shortfall would increase to \$902K.

**State Appropriation** reflects a decrease of 2.1% or \$104,199 is due to faculty and professional staff retirements. Our unrestricted state appropriation is budgeted at \$21,347,289.

**Private gifts and grants revenue** is unfavorable to the prior year \$168,458 principally due to the MGM contribution of \$100,000 for the Culinary Arts Institute.

**Investment revenue** is not reported this quarter. We expect favorable return to continue and will report results next quarter.

**Business and Community Services revenue** is favorable to the prior year by \$9,161 or 4.9% principally due to timing of testing fees. Revenue is currently at 22.3% of budget.

**Administrative Allowance revenue** which is derived from indirect cost recovery from grant activity is unfavorable to prior year by \$28,944 or 56.1%. This variance is due to timing. The full year is projected to be on budget.

**Auxiliary enterprises revenue (bookstore)** is favorable to the prior year, decreasing \$27,020 or 75.4%. This is due to the new college store model maturing with expanded products and merchandising efforts. Since the college is no longer selling textbooks, the current revenue only reflects summer textbook commissions, supplies and sundry sales. Fall textbook commissions will be reported in the second quarter.

**Compensation and Benefit expense** is 2.23% or \$178,043 unfavorable to the prior year due primarily due to retirement payouts and non-unit salary increases. Current year expense is projected to be on budget for the year.

**Scholarship and Fellowship expenditure** is favorable by 54% or \$19,902. We are projecting this expense to be on budget.

**Auxiliary enterprises expenditure (bookstore)** is unfavorable by 28.8% or \$34,160 due to expanding product offerings increasing merchandise inventory compared to last year.

**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.*

c: President Christina Royal, William Fogarty



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

First Quarter FY 2019 (July 1, 2018 - September 30, 2018)

	Annual Budget	Current Year - 2019			Percent of Budget	Prior Year - 2018		Percentage Inc./Dec.)
		Trust Funds	State Approp.	Total		Trust Funds	State	
<b>Revenues:</b>								
State Appropriation	21,347,289		4,952,412	4,952,412	23.20%		5,056,611	(2.06%)
Tuition and Fees	21,966,986	10,743,034		10,743,034	48.91%	11,428,283	11,428,283	(6.00%)
Business and Community Service	873,676	194,593		194,593	22.27%	185,432	185,432	4.94%
Administrative Allowance	295,000	22,637		22,637	7.67%	51,581	51,581	(56.11%)
Reserve Draw & Revolving Fund	950,000	0		0	0.00%	0	0	N/A
<b>Total educational and general revenues</b>	<b>45,432,951</b>	<b>10,960,264</b>	<b>4,952,412</b>	<b>15,912,676</b>	<b>35.02%</b>	<b>11,665,296</b>	<b>16,721,907</b>	<b>(4.84%)</b>
Auxiliary enterprises (Bookstore)	460,000	62,868		62,868	13.67%	35,849	35,849	75.37%
<b>Total Revenues</b>	<b>45,892,951</b>	<b>11,023,132</b>	<b>4,952,412</b>	<b>15,975,544</b>	<b>34.81%</b>	<b>11,701,145</b>	<b>16,757,756</b>	<b>(4.67%)</b>
<b>Expenditures:</b>								
Compensation and Benefits	33,471,697	3,223,465	4,952,412	8,175,877	24.43%	2,941,223	7,997,834	2.23%
Supplies and Services	11,137,196	2,349,303		2,349,303	21.09%	2,268,731	2,268,731	3.55%
Scholarship and Fellowship	709,600	16,946		16,946	2.39%	36,848	36,848	(54.01%)
<b>Total educational and general expendit</b>	<b>45,318,493</b>	<b>5,589,714</b>	<b>4,952,412</b>	<b>10,542,126</b>	<b>23.26%</b>	<b>5,246,802</b>	<b>10,303,413</b>	<b>2.32%</b>
Compensation and Benefits	324,514	93,228		93,228	28.73%	88,913	88,913	4.85%
Supplies and Services	249,944	59,707		59,707	23.89%	29,862	29,862	99.94%
Scholarship and Fellowship	0	0		0	N/A	0	0	N/A
Total Auxiliary enterprises (Bookstore)	574,458	152,935		152,935	26.62%	118,775	118,775	28.76%
<b>Total Expenditures</b>	<b>45,892,951</b>	<b>5,742,649</b>	<b>4,952,412</b>	<b>10,695,061</b>	<b>23.30%</b>	<b>5,365,577</b>	<b>10,422,188</b>	<b>2.62%</b>
<b>Net Revenue/(Expense)</b>	<b>0</b>	<b>5,280,483</b>	<b>0</b>	<b>5,280,483</b>	<b>N/A</b>	<b>6,335,568</b>	<b>6,335,568</b>	<b>(16.65%)</b>

