

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

TO: Trustee Finance Committee
FROM: Marcia L. Mitchell, Comptroller
DATE: January 19, 2018
SUBJECT: Second Quarter Statement of Revenues and Expenses (FY 2018)

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, 2017 through December 30, 2017. I hereby certify that to the best of my 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 1.62% unfavorable (down \$499,935) and total expenses are 1.65% favorable (down \$364,742) compared to the same period in the prior year.

State Appropriation reflects an increase of 2.84% or \$279,662 compared to the prior year. Our unrestricted state appropriation is budgeted at \$20,795,047 which is a \$370,119 or 1.8% increase over fiscal 2017.

Tuition and Fee revenue is 1.64% or \$316,990 favorable compared to the prior year. This is due to fee increases of \$5 per credit hour along with increases in the Transportation and Student services fees of \$5 dollars each per semester and a \$10 dollar per semester increase in the Information Technology Fee. Total Spring credit hours are currently 1.4% below last year and represent an improvement of more than 4% compared to budget. Total credit hours for the year are projected to be 3% lower than prior year, or 3% favorable to budget.

Business and Community Services revenue is favorable to the prior year by \$93,312 or 54.62% due to increased non-credit contracted sales of educational services. Revenue is currently at 34.1% of budget.

Administrative Allowance revenue which is derived from indirect cost recovery from grant activity is unfavorable to prior year by \$26,722 or 26.6%. This variance is due to timing. The full year is projected to be on budget.

Auxiliary enterprises revenue (college store) is significantly unfavorable to the prior year, decreasing \$1,163,177 or 81.4%. This is due to the conversion of the model from an on-campus bookstore to online textbook sales through a third-party vendor. Since the college is no longer selling textbooks, the current revenue reflects only summer and fall textbook commissions, supplies and sundry sales. Revenue is currently at 55.5% of budget.

Private gifts and grants revenue is unbudgeted and not reflected in the Statement of Revenues and Expenses. Current year to date, this category is favorable to the prior year principally due to a \$100,000 gift from MGM for the Culinary Arts Institute. Grant revenue is consistent with prior year.

Investment results are only available through November. Investment revenue is unbudgeted and not reflected in the Statement of Revenues and Expenses. Current year income and investment

Second Quarter Statement of Revenues & Expenses (FY 2018)

gains are \$1,145,338 compared to the prior year of \$546,530, an increase of \$598,808 or more than 100%.

Compensation and Benefit expense is 2.95% or \$491,602 unfavorable to the prior year due primarily to collective bargaining increases. Current year expense is projected to be on budget for the year.

Supplies and Services expense is 3.7% or \$148,440 favorable to the prior year, and reflects disciplined encumbrance and spending in the face of uncertain enrollment declines. This expense is currently at 37.9% of budget.

Scholarship and Fellowship expenditure is favorable by 45.6% or \$128,543 compared to prior year and 16.0% of budget. We expect lower expenditures compared to budget based on current trends that will be quantifiable once the spring state aid deficiency is determined.

Auxiliary enterprises expenditure (college store) is favorable by 73.5% or \$876,241 due to the conversion of the model from an on-campus bookstore to online textbook sales through a third-party vendor. Expenses are currently at 46.1% of budget.

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, Vice President William Fogarty

HOLYOKE COMMUNITY COLLEGE

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

Second Quarter FY 2018 (July 1, 2017 - December 31, 2017)

	Annual Budget		Current Year - 2018		Percent of Budget		Prior Year - 2017		Percentage Inc.(Dec.)	
			Trust Funds	State Approp.	Total		Trust Funds	State Approp.	Total	
Revenues:										
State Appropriation	20,795,047		10,138,452	10,138,452	48.75%	9,858,790	9,858,790	9,858,790	2.84%	
Tuition and Fees	21,896,738		19,666,903	19,666,903	89.82%	19,349,913	19,349,913	19,349,913	1.64%	
Business and Community Service	775,000		264,142	264,142	34.08%	170,830	170,830	170,830	54.62%	
Administrative Allowance	295,000		73,652	73,652	24.97%	100,374	100,374	100,374	(26.62%)	
Reserve Draw & Revolving Fund	712,500		0	0	0.00%	0	0	0	N/A	
Total educational and general revenues	44,474,285		20,004,697	20,004,697	67.78%	19,621,117	19,621,117	19,621,117	2.25%	
Auxiliary enterprises (College Store)	478,750		265,891	265,891	55.54%	1,429,068	1,429,068	1,429,068	(81.39%)	
Total Revenues	44,953,035		20,270,588	20,270,588	67.65%	21,050,185	21,050,185	21,050,185	(1.62%)	
Expenditures:										
Compensation and Benefits	32,372,605		7,008,268	7,008,268	52.97%	6,796,328	6,796,328	6,796,328	2.95%	
Supplies and Services	10,935,761		4,147,973	4,147,973	37.93%	3,999,533	3,999,533	3,999,533	3.71%	
Scholarship and Fellowship	957,750		153,465	153,465	16.02%	282,008	282,008	282,008	(45.58%)	
Total educational and general expenditures	44,266,116		11,309,706	11,309,706	48.45%	11,077,869	11,077,869	11,077,869	2.44%	
Auxiliary Enterprises (College Store)	359,929		178,178	178,178	49.50%	197,160	197,160	197,160	(9.63%)	
Compensation and Benefits	326,973		138,395	138,395	42.33%	995,654	995,654	995,654	(86.10%)	
Scholarship and Fellowship	0		0	0	N/A	0	0	0	N/A	
Total Auxiliary enterprises (College Store)	686,902		316,573	316,573	46.09%	1,192,814	1,192,814	1,192,814	(73.46%)	
Total Expenditures	44,953,018		11,626,279	11,626,279	48.42%	12,270,683	12,270,683	12,270,683	(1.65%)	
Net Revenue/(Expense)	17		8,644,309	8,644,309	N/A	8,779,502	8,779,502	8,779,502	-1.54%	