

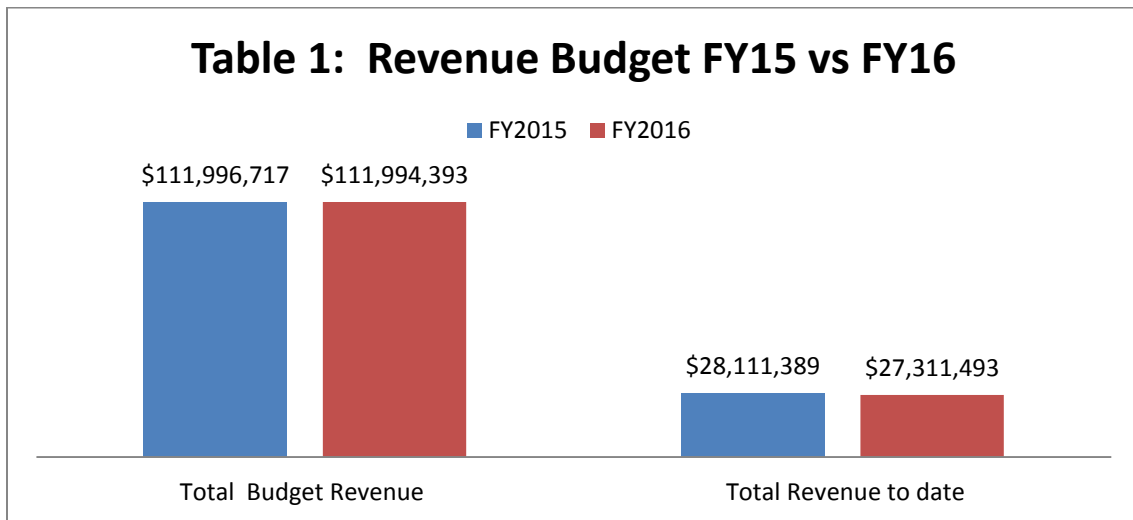
# OPERATING FUNDS MONTHLY FINANCIAL REPORT

## For the Period Ending August 31, 2015

### OPERATIONAL FUNDS OVERVIEW (Funds 110 and 120)

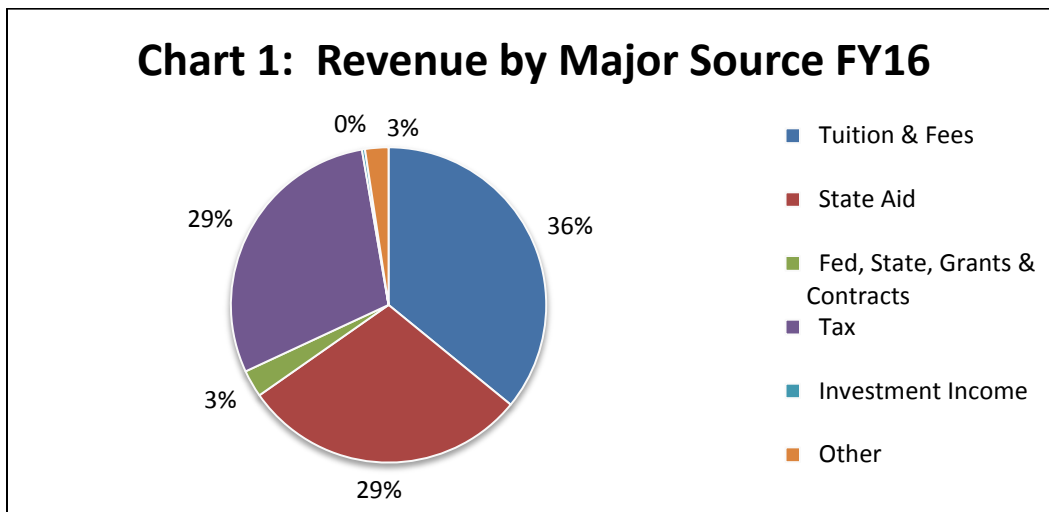
**Table 1** reflects revenues collected in the Operating Funds for the current fiscal year with comparisons for the same period a year ago. The Operating Funds include both the General Fund (110) and the Special Projects Fund (120). Through August, revenue collections were \$27.3 million which represents 24.4% of the budget revenue estimate. During the same time period last year MCC had collected \$28.1 million which was 19.1% of the revenue budgeted.

The primary area of decline is in student tuition and fees, which is down nearly \$900,000 compared to the prior year which is directly attributable to lower enrollment. As of state aid day in September, enrollment had increased some which is anticipated to be 1-2% below estimate. This will result in approximately \$400,000 less in revenue. Final figures will be calculated for the September report.



### Revenue Analysis

**Chart 1** illustrates the overall MCC budget has primarily three revenue sources, tuition & fees, state aid, and taxes.



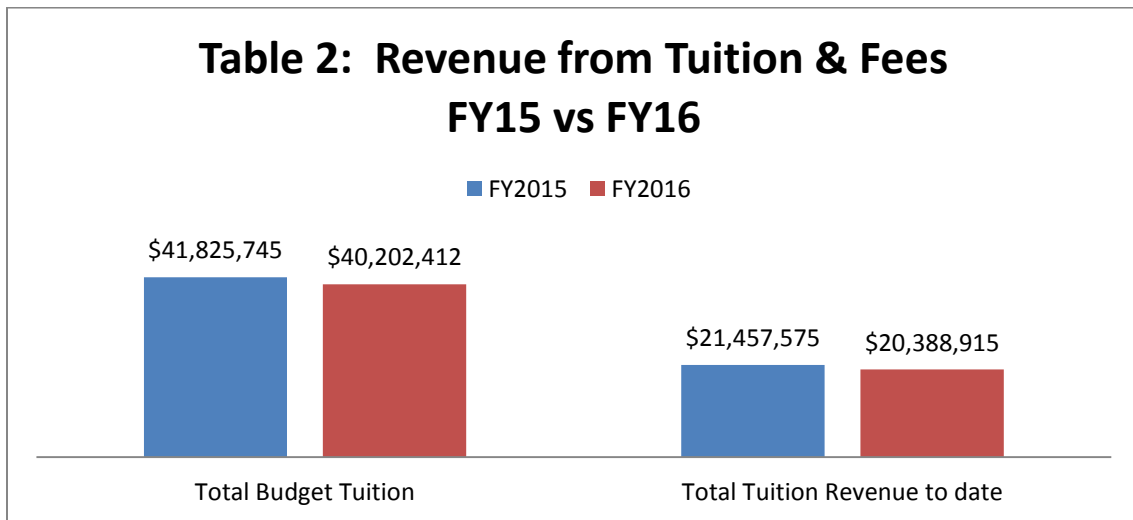
## REVENUE BY TYPE YEAR TO DATE

Revenue Type	Budget	Year To Date (YTD)	% YTD to Budget
Tuition & Fees	\$ 40,202,412	\$ 20,388,915	50.7%
State Aid	32,910,979	5,293,280	16.1%
Fed, State, Grants & Contracts	3,126,500	168,338	5.4%
Tax	32,722,453	311,498	1.0%
Investment Income	350,000	31,406	9.0%
Other	2,682,049	1,118,056	41.7%
<b>Total Revenue</b>	<b>\$ 111,994,393</b>	<b>\$ 27,311,493</b>	<b>24.4%</b>

**Table 2** reflects the revenue from tuition and fees; and highlights the budget, which anticipates a 3% reduction in enrollment, and the prior year actual.

For FY16, tuition & fees remained flat:

- In-District: \$95
- Out-of-district: \$175
- Out-of-state: \$229

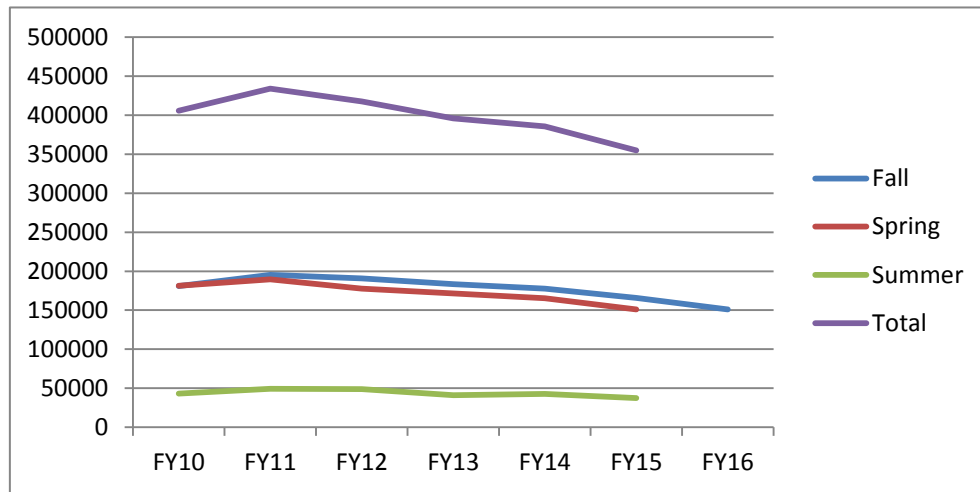


### ENROLLMENT TRENDS

Enrollment has been trending downward for the last five years, although this is beginning to stabilize. In terms of relative decline, there are similar trends for summer and fall semesters. This is particularly important because revenue from tuition and fees represent 36% of the total budget.

Total credit hours for FY16 are estimated at approximately 363,343 credit hours for the fiscal year.

**HISTORICAL COMPARISON OF CORE CREDIT HOURS BY SEMESTER**



- Note: Fall enrollment is anticipated to increase. The final enrollment for fall will be based on the enrollment as of the state aid date, September 11, 2015. This figure is as of August 31, 2015.

**BREAKDOWN OF TUITION & FEES REVENUE**

**Tuition and Fees.** Tuition and fees are projected to decline 3% (due to projected enrollment) for FY16. We currently have two remaining payment dates for students who chose the payment plan: Sept 15 and Oct 15.

Tuition & Fees	Budget	Year To Date	% YTD to Budget
Tuition	\$ 35,444,608	\$ 18,045,875	50.9%
Program Lab Fee	2,655,651	1,296,202	48.8%
Technology Fee	985,873	502,356	51.0%
Clinical Fee	630,500	322,900	51.2%
Student Activity Fee	410,780	209,310	51.0%
Contracted Instruction	75,000	20,655	27.5%
Penalty Charge - Returned Checks	-	863	
Refund District Resident Fee	-	(9,245)	
<b>Total Tuition &amp; Fees</b>	<b>\$ 40,202,412</b>	<b>\$ 20,388,915</b>	<b>50.7%</b>

**State aid.** The state aid is projected to increase 3.89% for FY16. The breakdown includes \$31.3 million in core funding, \$.5 million in performance measure funding, and \$1.1 million in state repair & maintenance matching funds. This aid is not based on enrollment but instead is allocated by the State legislature.

State Aid	Budget	Year To Date	% YTD to Budget
State Aid	\$ 31,759,680	5,293,280	16.7%
Repair & Maintenance	1,151,299	-	
<b>Total State Aid</b>	<b>\$ 32,910,979</b>	<b>\$ 5,293,280</b>	<b>16.1%</b>

**Grants and contracts** are budgeted to be consistent with the prior fiscal year.

<b>Fed, State, Grants &amp; Contracts</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Missouri Vocational Revenue	\$ 1,393,200	\$ 150,000	10.8%
Perkins	876,800	-	0.0%
Department of Ed	480,000	15,811	3.3%
Overhead Revenue	366,500	1,123	0.3%
State of Missouri - Other	10,000	1,404	14.0%
<b>Total Fed, State, Grant &amp; Contract</b>	<b>\$ 3,126,500</b>	<b>168,338</b>	<b>5.4%</b>

**Tax revenues** primarily include property tax receipts from four area counties. Assessed values have increased overall and collection rate is slightly behind the prior year as of August. Tax collection rates have remained steady over the past five years and the primary collection months are in December through August. Any delinquent taxes received (back taxes) are credited in the year they are received.

<b>Taxes</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Jackson County	\$ 22,769,953	\$ 242,978	1.1%
Clay County	5,310,000	44,880	0.8%
Platte County	3,779,000	15,501	0.4%
Cass County	863,500	8,139	0.9%
<b>Total Taxes</b>	<b>\$ 32,722,453</b>	<b>\$ 311,498</b>	<b>1.0%</b>

**Investment income.** The yearend balance for FY15 was adjusted to market value for purposes of auditing and calculating net position (assets vs liabilities). \$35,470 of unrealized Gains/Losses attributed to reversal of the 2015 yearend unrealized market value adjustment. This is tracked monthly on the investment report as well. Actual cash is the investment earnings whereas the unrealized gain/loss is calculated for purposes of MCCs net position.

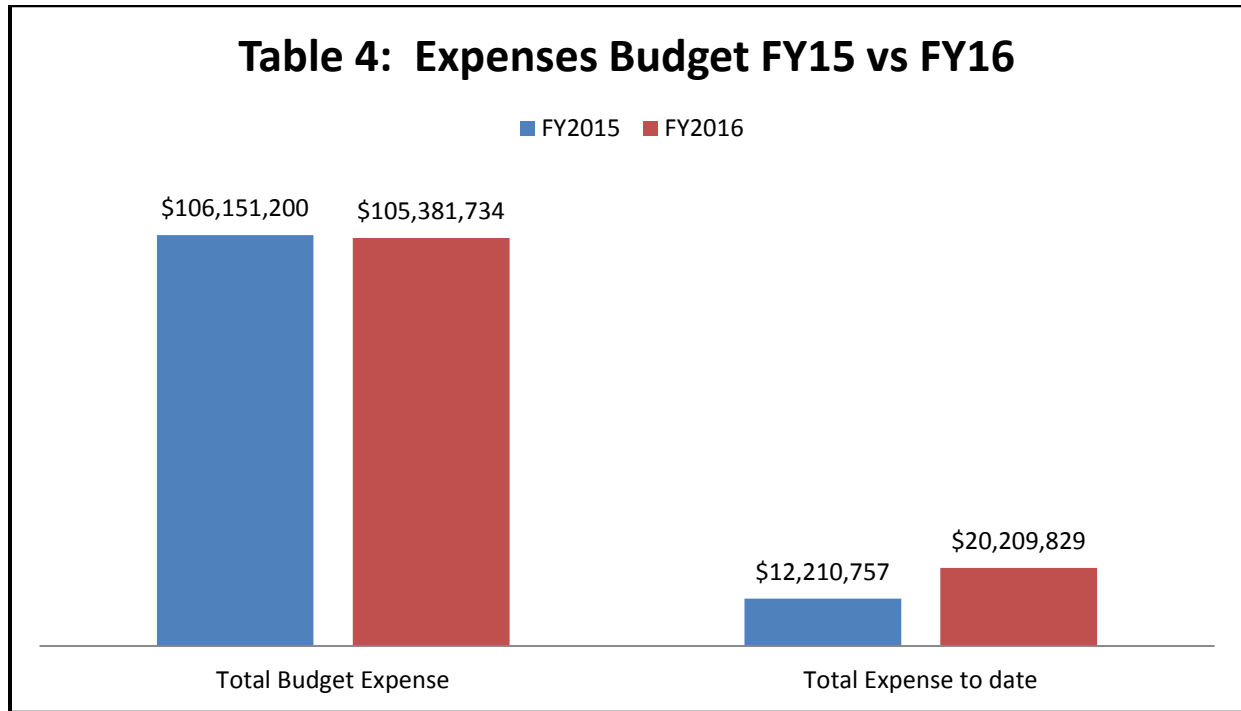
<b>Investment Income</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Investment Earnings	\$ 350,000	66,876	19.1%
Unrealized Gains/Losses	-	(35,470)	
<b>Total Investment Income</b>	<b>\$ 350,000</b>	<b>\$ 31,406</b>	<b>9.0%</b>

**Miscellaneous Income** includes student fees and activity fees, the application fee, miscellaneous income from insurance, other program revenue, memberships, rentals, sale of equipment, etc.

<b>Other Revenue</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Other Student Fees & Activity	\$ 1,348,829	\$ 704,743	52.2%
Application Fee	430,000	226,188	52.6%
Miscellaneous Income	498,720	84,031	16.8%
Insurance Fee	126,000	72,711	
Non-Federal/State Grant Revenue	113,500	-	
Rental	89,000	25,764	28.9%
Late Fee	30,000	365	1.2%
Sports Lessons	38,000	2,830	7.4%
Pay Plan Fee	8,000	1,424	17.8%
<b>Total Other Income</b>	<b>\$ 2,682,049</b>	<b>\$ 1,118,056</b>	<b>41.7%</b>

## Expense Analysis

**Table 4** shows the level of expenditures incurred against the Operating Funds appropriations for the current and prior fiscal years. The FY16 budget appropriated \$105,381,734 in operating expenses compared to \$106,151,200 the prior fiscal year. Through August expenses were \$20,209,829 or 19.2% of the total budget; whereas the prior year as of August, expenses were \$12,210,757 or 6.0% of the total budget. The majority of this difference is seen in the benefits line items due the required reversal of a \$6.4 million reclassification in retirement system payments – required by the implementation of GASB 71. In June 2016, we will again reclassify the FY2016 retirement system payments which will offset this \$6.4 million in expense.



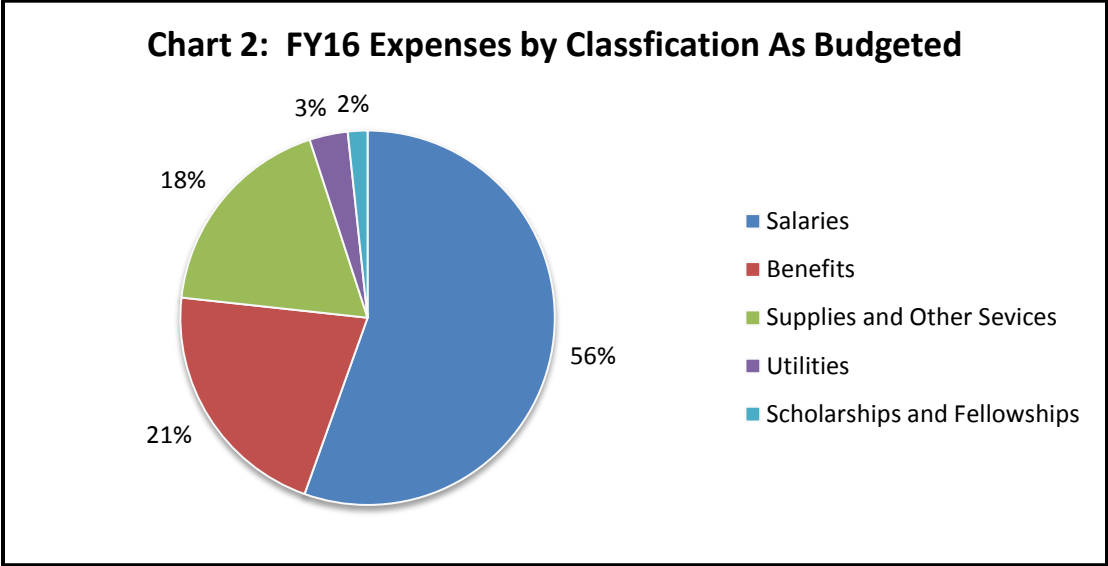
### BUDGET TO ACTUAL EXPENSES YEAR TO DATE

Category	Budget	Year To Date	% YTD to Budget
Salaries	\$ 58,453,057	\$ 7,476,936	12.8%
Benefits	22,395,467	9,545,758	42.6%
Supplies and Other Sevices	19,260,993	2,288,158	11.9%
Utilities	3,485,764	395,964	11.4%
Scholarships and Fellowships	1,786,453	503,013	28.2%
Total Operating Expenses	\$ 105,381,734	\$ 20,209,829	19.2%

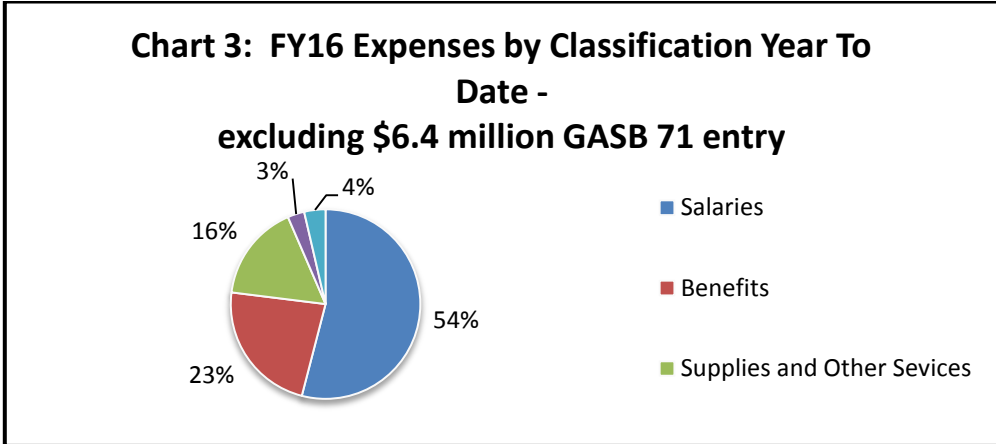
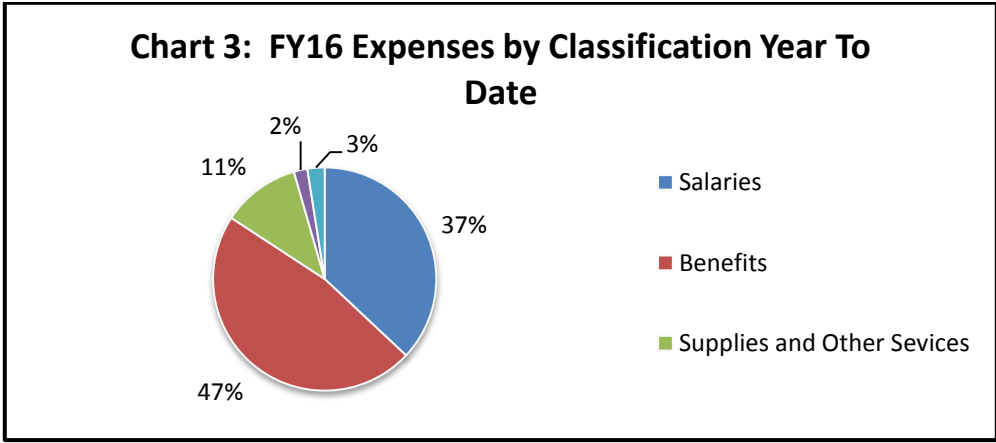
### **Natural Classification of Expenses (GASB Format)**

The Governmental Accounting Standard Board (GASB) is the accounting standard public entities utilize. GASB classifies expenses by the nature of the expense such as salaries, wages, rent, utilities, supplies, depreciation, etc.

**Chart 2** illustrates the distribution of expenses by type. Of the budgeted expenses, salaries and benefits are the most significant expenditure categories constituting 77% of the total budgeted expenses.



**Chart 3** illustrates that as of August 2015, the expenditure by type year to date is consistent with the budget, with the exception of the \$6.4 million in retirement system payment reclassification as mentioned above.



**BREAKDOWN OF SALARIES EXPENSE**

<b>Salaries</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Staff	\$ 22,971,598	\$ 2,797,147	12.2%
Faculty	14,705,543	2,195,391	14.9%
Part time faculty	8,707,520	70,586	0.8%
Administrative	5,951,154	850,401	14.3%
Temporary staff	2,996,633	241,617	8.1%
Summer school	2,409,809	1,300,936	54.0%
Student work study	480,000	15,904	3.3%
Other faculty (substitute pay)	57,500	4,954	8.6%
Vacant Position Funding	173,300	-	
<b>Total Salaries Exp</b>	<b>\$ 58,453,057</b>	<b>\$ 7,476,936</b>	<b>12.8%</b>

**BREAKDOWN OF BENEFITS EXPENSE**

<b>Benefits</b>	<b>Budget</b>	<b>Year To Date (YTD)</b>	<b>% YTD to Budget</b>
Employee Benefits	\$ 19,318,246	\$ 2,576,951	13.3%
OPEB & Insurance Benefits, Retirees	2,170,476	365,098	16.8%
Employee Benefits - Fee Waiver	415,000	212,858	51.3%
Employee Tuition Reimbursement	215,000	16,788	7.8%
Compensated Absences	178,949	-	
Unemployment Compensation	82,796	-	
Employee Assist - Concern Care	15,000	1,185	7.9%
Pension Expense		6,372,878	
<b>Total Salaries Exp</b>	<b>\$ 22,395,467</b>	<b>\$ 9,545,758</b>	<b>42.6%</b>

\* Compensated absences and Pension Expense are completed as part of the closing entry at year end in June

**SUMMARY OF SUPPLIES/ OTHER SERVICES & UTILITIES EXPENSE**

<b>Supplies / Other</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Supplies and Other Services	\$ 19,260,993	\$ 2,288,157	11.9%
Utilities Total	3,485,764	395,964	11.4%
<b>Total</b>	<b>\$ 22,746,757</b>	<b>\$ 2,684,121</b>	<b>11.8%</b>

Detailed expenses are included as Appendix A and B attached to this report.

**Natural to Functional Expense Matrix**

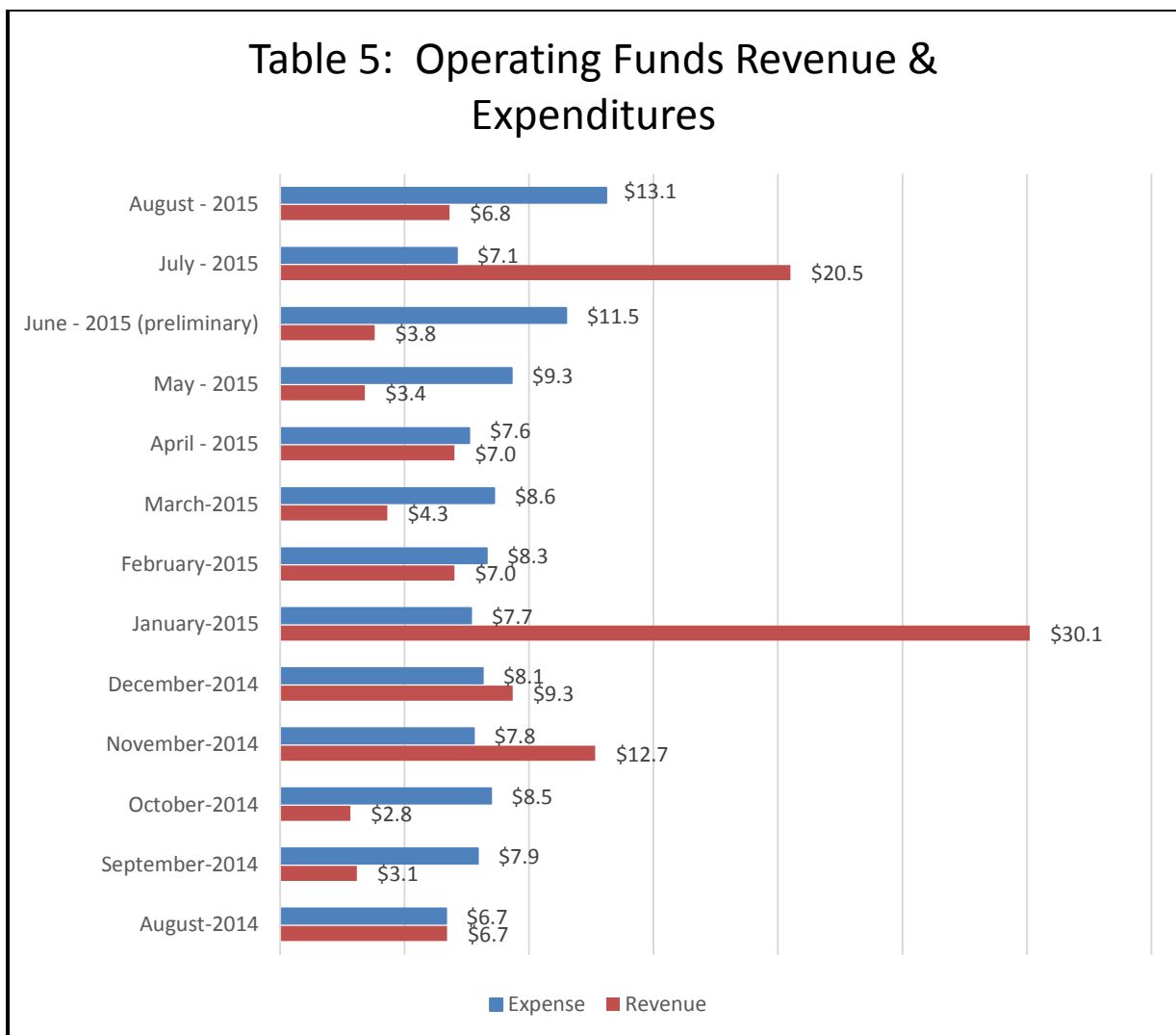
An alternative method to analyze expenses is to breakdown the nature of the expense (salaries, fringe benefits, utilities, etc.) as it relates to the functional purpose of the expense (Instructional Support, Academic Support, Institutional Support, etc.). This data is useful in aligning expenses with strategic priorities.

**FY16 YEAR TO DATE EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION**

		Natural Expense Classification					
Functional Expense Classification	Type of Expense:	Salaries and wages	Fringe benefits	Supplies and other services	Utilities	Scholarships and fellowships *	Total Expenses by Functional Classification
		Instructional	\$ 3,710,090	\$ 1,157,770	\$ 647,039	\$ 31	
	Academic support	875,265	321,384	169,310	19,320		\$ 1,385,280
	Student services	1,218,881	461,012	161,886			\$ 1,841,779
	Plant operation and maintenance	367,807	165,864	623,462	244,973		\$ 1,402,106
	Institutional support	1,265,795	7,427,918	686,462	131,640		\$ 9,511,815
	Public service	39,098	11,809				\$ 50,907
	Scholarships and fellowships					503,013	\$ 503,013
	Total Expenses by Natural Classification	\$ 7,476,936	\$ 9,545,758	\$ 2,288,158	\$ 395,964	\$ 503,013	\$ 20,209,829

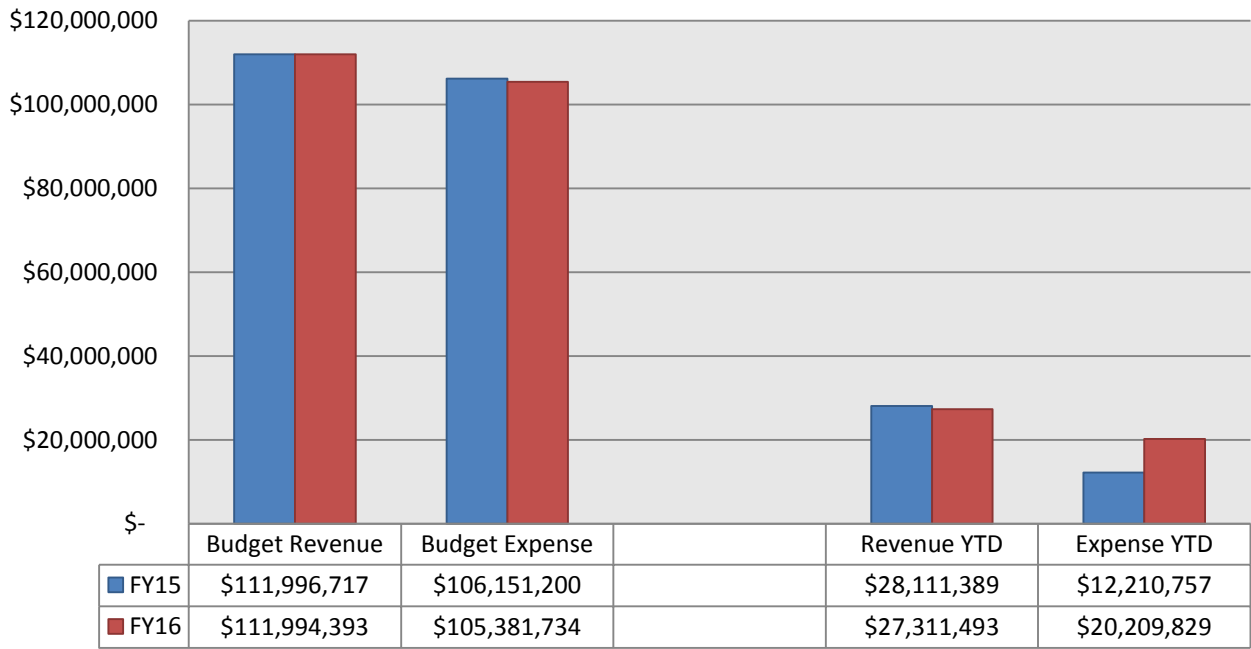
\* Scholarships and fellowships listed here are Institutional scholarships (such as athletic) and do not include scholarships available through the Foundation.

**Table 5** outlines revenue and expenditures on a rolling 12 month calendar. The Revenues peak in August and January during enrollment periods. The expenses remain fairly constant with an increase in the summer months generally reflecting capital projects underway during non-peak classroom periods.





**Table 6: Budget to Actuals Comparison  
FY15 vs FY16**



**Table 6** summarizes the revenues and expenditures as budgeted and the year to date actual as of August 2015. The budget was adopted envisioning relatively flat revenue.

**APPENDIX A****DETAIL EXPENSES OF SUPPLIES & OTHER SERVICES**

<b>Supplies and Other</b>	<b>Current Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Maintenance Agreement IT	1,458,175.00	706,766.76	48.47%
Contracted Service	4,212,190.00	299,939.53	7.12%
Maintenance Agreement Plant	298,980.00	268,280.36	89.73%
Contracted Service Construction	1,288,342.00	180,927.65	14.04%
Advertising	659,980.00	133,632.81	20.25%
Capital Equipment	-	111,284.92	
Dues & Memberships	281,050.00	103,649.68	36.88%
Supplies - Instr/Classroom/Lab	1,063,920.00	68,176.10	6.41%
Other Expense Total	737,458.00	47,296.12	6.41%
Bank Charge	244,260.00	45,385.07	18.58%
Registration Fees	125,321.00	35,343.74	28.20%
Subscription	234,142.00	34,715.73	14.83%
Contracted Instruction	611,560.00	31,238.50	5.11%
A/E Fees	100,075.00	30,488.39	30.47%
Construction Serv-Rent of Equip	396,901.00	29,888.99	7.53%
Legal Expense	510,000.00	24,455.19	4.80%
Supplies Construcion & Repair	167,740.00	23,800.73	14.19%
Software under \$5,000 non cap	137,595.00	20,362.32	14.80%
Accounting & Auditing	62,500.00	17,950.00	28.72%
Supplies Office	277,061.00	17,923.61	6.47%
Travel & Conventions	582,630.00	16,562.20	2.84%
Postage	205,814.00	12,784.43	6.21%
Supplies - Custodial	115,000.00	11,659.87	10.14%
Equipment under \$5,000 non cap	974,992.00	10,305.53	1.06%
Accreditation	65,935.00	9,125.00	13.84%
Food / Meals	101,810.00	8,978.83	8.82%
Supplies - Paper	105,674.00	8,091.45	7.66%
Liability & Fidelity Bond	463,500.00	6,603.02	1.42%
Mileage	119,328.00	4,421.80	3.71%
Supplies - Grounds	149,364.00	1,271.34	0.85%
Library Books Renewals	49,368.00	1,104.43	2.24%
Employee Recruitment	22,500.00	466.18	2.07%
Operational Expense	23,885.00	20.00	0.08%
Auto Expense	86,710.00	-	0.00%
Staff Development District Wide	106,650.00	-	0.00%
Bad Debt Expense / A/R	850,000.00	-	0.00%
Capital Software	278,092.00	-	0.00%
Printing / Copy	170,996.00	(5,621.24)	-3.29%
Contingency (M/R, Enhancement Grant) <sup>1</sup>	1,671,495.00	-	0.00%
Property Insurance	250,000.00	(29,121.05)	-11.65%
	<u>19,260,993.00</u>	<u>2,288,157.99</u>	<u>11.88%</u>

<sup>1</sup> The contingency line item includes approximately \$2.3 million for maintenance and repair. These funds are appropriated in this line item and then transferred to the appropriate expense line item at time of expenditure. The final amounts are actual contingency funds for unanticipated expenses.

**APPENDIX B**

**DETAIL OF UTILITY EXPENSES**

August's Electricity and Gas bills were accrued in FY2015.

<b>Utilities</b>	<b>Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>	
Electricity	\$ 2,386,876	\$ 227,116	9.5%	
Telephone	550,550	150,991	27.4%	
Gas	238,708	14,635	6.1%	
Water and Sewer	309,630	3,221	1.0%	
<b>Total Utilities Exp</b>	<b>\$ 3,485,764</b>	<b>\$ 395,964</b>	<b>11.4%</b>	