

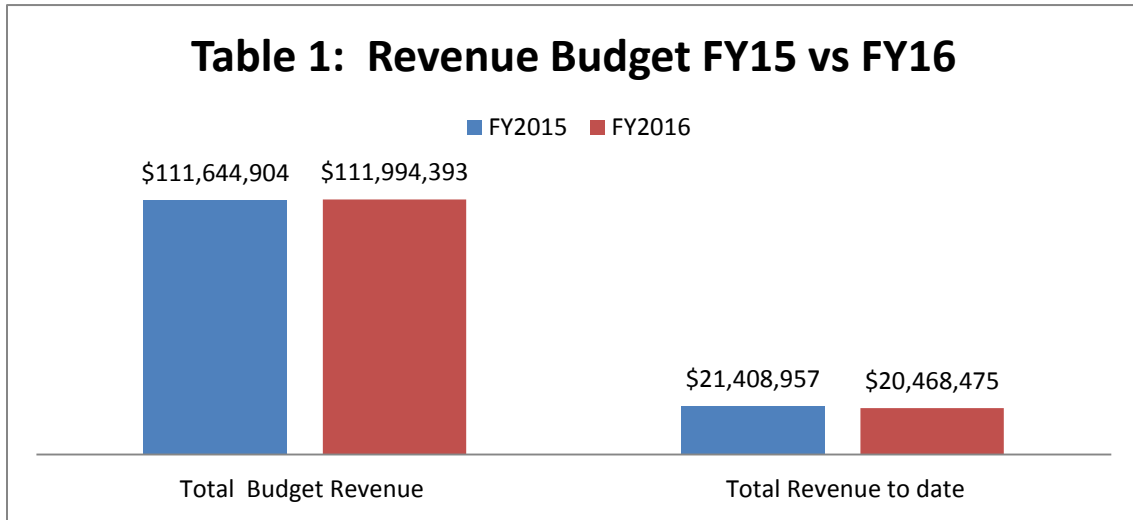
# OPERATING FUNDS MONTHLY FINANCIAL REPORT

## For the Period Ending July 31, 2015

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

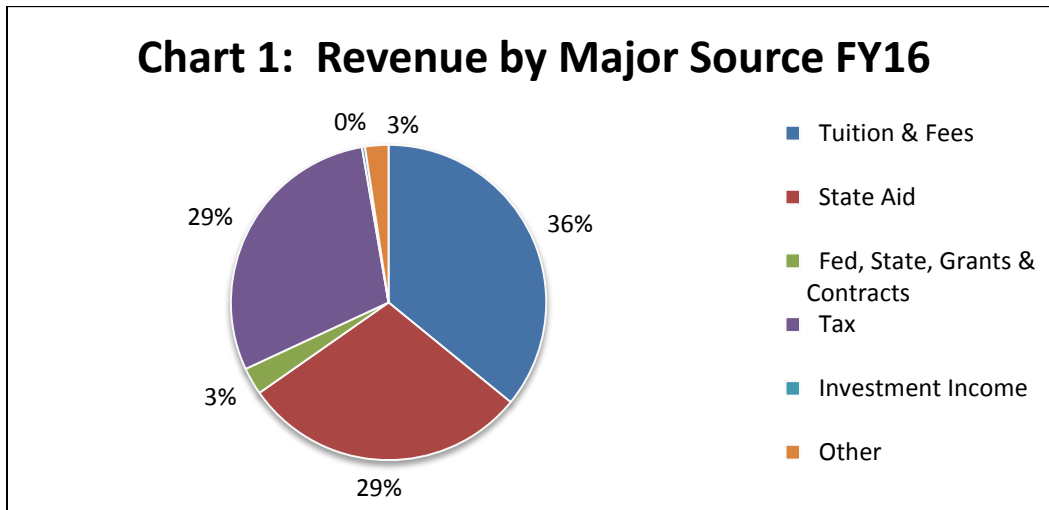
**Table 1** reflects revenues collected in the Operating Funds for the current fiscal year with comparisons for the same period a year ago. The Operating Funds include both the General Fund (110) and the Special Projects Fund (120). Through July, revenue collections were \$20.5 million which represents 18.3% of the budget revenue estimate. During the same time period last year MCC had collected \$21.4 million which was 19.2% of the revenue budgeted.

The primary area of decline is in student tuition and fees, which is down nearly \$.9 million compared to the prior year which is directly attributable to lower enrollment.



### Revenue Analysis

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



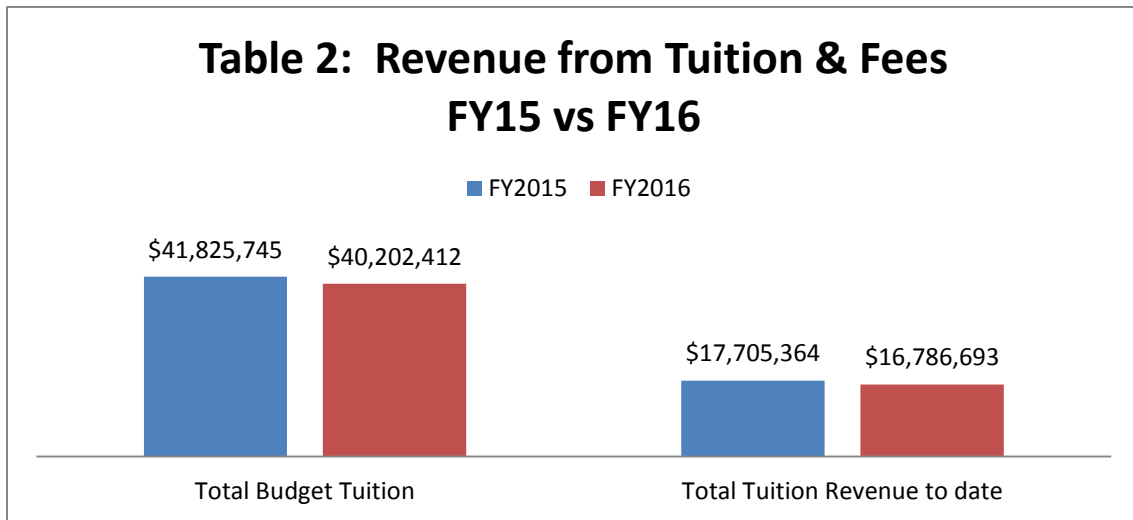
## REVENUE BY TYPE YEAR TO DATE

| Revenue Type                   | Budget                | Year To Date (YTD)   | % YTD to Budget |
|--------------------------------|-----------------------|----------------------|-----------------|
| Tuition & Fees                 | \$ 40,202,412         | \$ 16,786,693        | 41.8%           |
| State Aid                      | 32,910,979            | 2,646,640            | 8.0%            |
| Fed, State, Grants & Contracts | 3,126,500             | 83,073               | 2.7%            |
| Tax                            | 32,722,453            | 126,174              | 0.4%            |
| Investment Income              | 350,000               | (2,005)              | -0.6%           |
| Other                          | 2,682,049             | 827,900              | 30.9%           |
| <b>Total Revenue</b>           | <b>\$ 111,994,393</b> | <b>\$ 20,468,475</b> | <b>18.3%</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

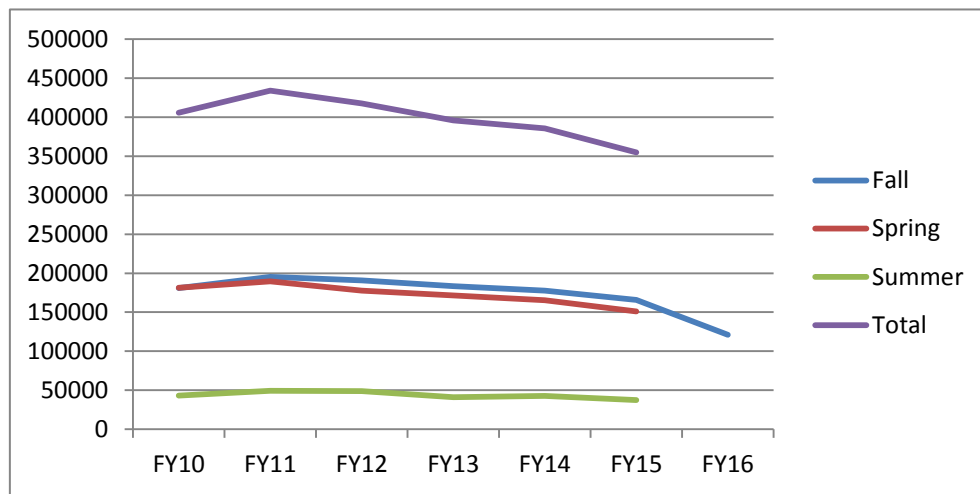


### ENROLLMENT TRENDS

Enrollment has been trending downward for the last five years. 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 July 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 three remaining payment dates for students who chose the payment plan: Aug 15 (4-pay only), Sept 15, and Oct 15.

| Tuition & Fees                   | Budget               | Year To Date         | % YTD to Budget |
|----------------------------------|----------------------|----------------------|-----------------|
| Tuition                          | \$ 35,444,608        | \$ 14,876,407        | 42.0%           |
| Program Lab Fee                  | 2,655,651            | 1,043,525            | 39.3%           |
| Technology Fee                   | 1,616,373            | 272,500              | 16.9%           |
| Clinical Fee                     | 410,780              | 410,765              | 100.0%          |
| Student Activity Fee             | 75,000               | 171,151              | 228.2%          |
| Contracted Instruction           | -                    | 17,680               |                 |
| Penalty Charge - Returned Checks | -                    | 538                  |                 |
| Refund District Resident Fee     | -                    | (5,873)              |                 |
| <b>Total Tuition &amp; Fees</b>  | <b>\$ 40,202,412</b> | <b>\$ 16,786,693</b> | <b>41.8%</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        | \$ 2,646,640        | 8.3%            |
| Repair & Maintenance   | 1,151,299            | -                   |                 |
| <b>Total State Aid</b> | <b>\$ 32,910,979</b> | <b>\$ 2,646,640</b> | <b>8.0%</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        | \$ 75,000           | 5.4%                   |
| Perkins                                       | 876,800             | -                   | 0.0%                   |
| Department of Ed                              | 480,000             | 6,850               | 1.4%                   |
| Overhead Revenue                              | 366,500             | 430                 | 0.1%                   |
| State of Missouri - Other                     | 10,000              | 793                 | 7.9%                   |
| <b>Total Fed, State, Grant &amp; Contract</b> | <b>\$ 3,126,500</b> | <b>\$ 83,073</b>    | <b>2.7%</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 July. Tax collection rates have remained steady over the past five years and the primary collection months are in December through July. 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        | \$ 93,971           | 0.4%                   |
| Clay County        | 5,310,000            | 19,621              | 0.4%                   |
| Platte County      | 3,779,000            | 7,930               | 0.2%                   |
| Cass County        | 863,500              | 4,653               | 0.5%                   |
| <b>Total Taxes</b> | <b>\$ 32,722,453</b> | <b>\$ 126,174</b>   | <b>0.4%</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.

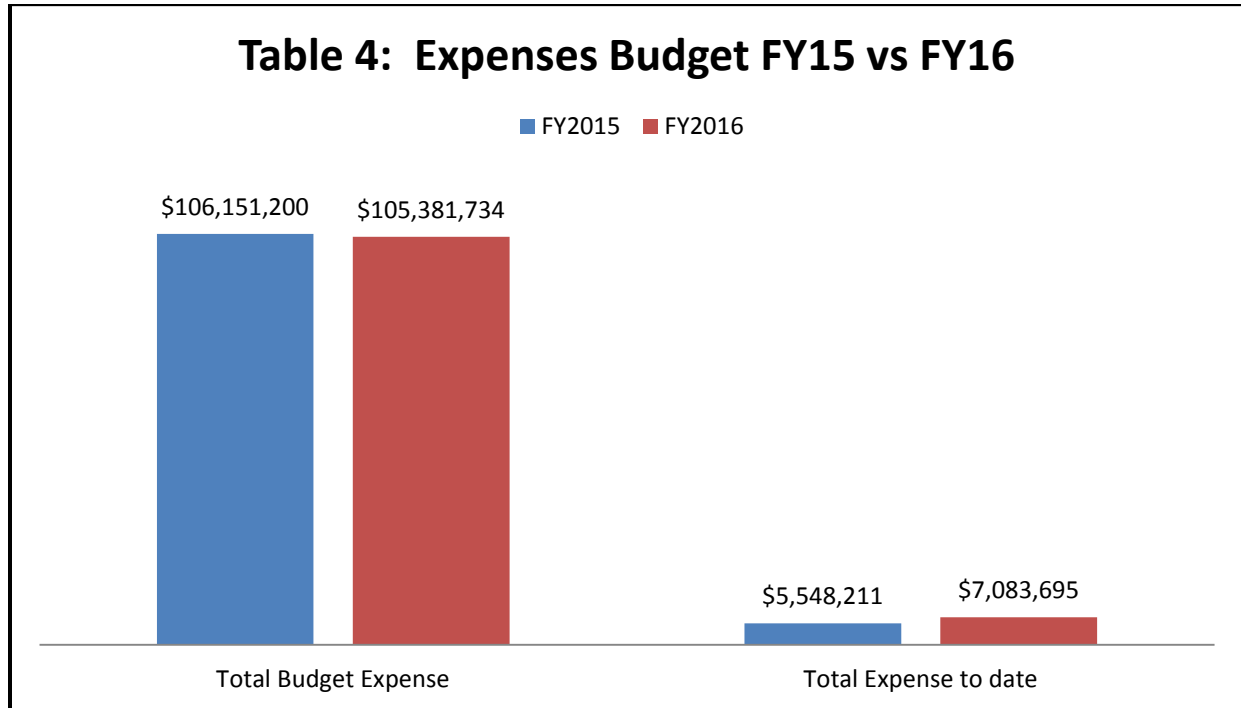
| <b>Investment Income</b>       | <b>Budget</b>     | <b>Year To Date</b> | <b>% YTD to Budget</b> |
|--------------------------------|-------------------|---------------------|------------------------|
| Investment Earnings            | \$ 350,000        | \$ 33,465           | 9.6%                   |
| Unrealized Gains/Losses        | -                 | (35,470)            |                        |
| <b>Total Investment Income</b> | <b>\$ 350,000</b> | <b>\$ (2,005)</b>   | <b>-0.6%</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        | \$ 567,365          | 42.1%                  |
| Application Fee                 | 430,000             | 140,893             | 32.8%                  |
| Miscellaneous Income            | 624,720             | 109,063             | 17.5%                  |
| Non-Federal/State Grant Revenue | 113,500             | -                   |                        |
| Rental                          | 89,000              | 8,275               | 9.3%                   |
| Late Fee                        | 30,000              | 1,490               | 5.0%                   |
| Sports Lessons                  | 38,000              | 365                 | 1.0%                   |
| Pay Plan Fee                    | 8,000               | 449                 | 5.6%                   |
| <b>Total Other Income</b>       | <b>\$ 2,682,049</b> | <b>\$ 827,900</b>   | <b>30.9%</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 July, expenses were \$7,083,695 or 6.7% of the total budget; whereas the prior year as of July, expenses were \$5,548,211 or 5.6% of the total budget. The majority of this difference is seen in the salary and benefits line items due to negotiated increases.



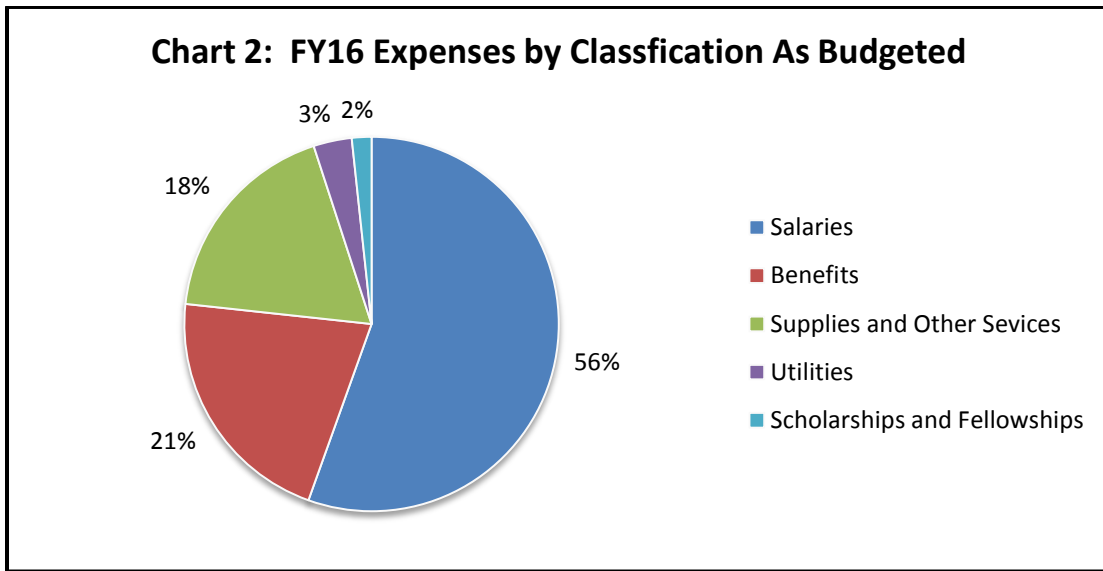
### BUDGET TO ACTUAL EXPENSES YEAR TO DATE

| Category                     | Budget         | Year To Date | % YTD to Budget |
|------------------------------|----------------|--------------|-----------------|
| Salaries                     | \$ 58,462,323  | \$ 3,899,540 | 6.7%            |
| Benefits                     | 22,381,795     | 1,547,846    | 6.9%            |
| Supplies and Other Seviles   | 19,265,399     | 1,555,765    | 8.1%            |
| Utilities                    | 3,485,764      | 44,787       | 1.3%            |
| Scholarships and Fellowships | 1,786,453      | 35,757       | 2.0%            |
| Total Operating Expenses     | \$ 105,381,734 | \$ 7,083,695 | 6.7%            |

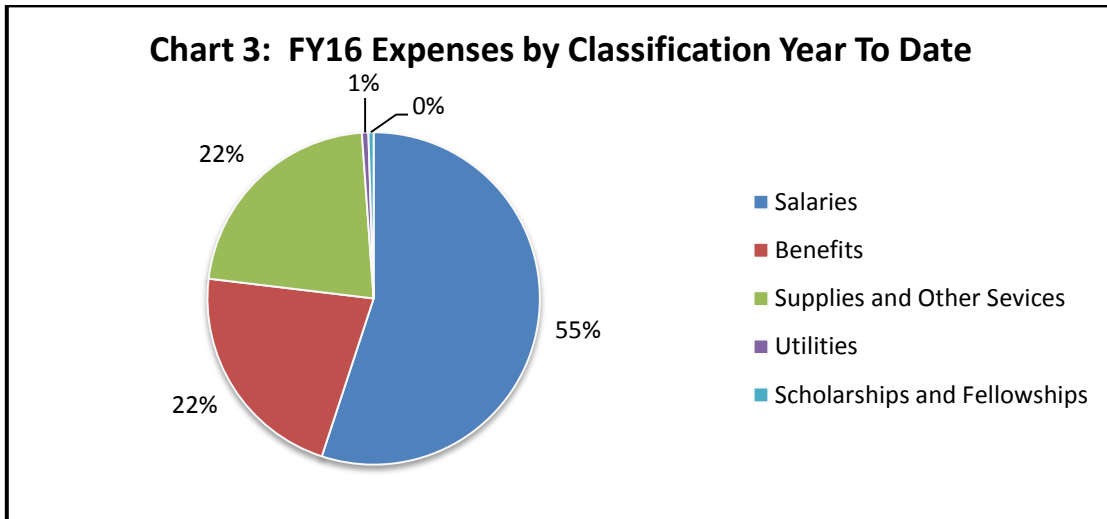
### **Natural Classification of Expenses (GASB Format)**

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 July 2015, the expenditure by type year to date is consistent with the budget.



**BREAKDOWN OF SALARIES EXPENSE**

| <b>Salaries</b>                | <b>Budget</b>        | <b>Year To Date</b> | <b>% YTD to Budget</b> |
|--------------------------------|----------------------|---------------------|------------------------|
| Staff                          | \$ 22,967,994        | \$ 1,092,157        | 4.8%                   |
| Faculty                        | 14,705,543           | 957,293             | 6.5%                   |
| Part time faculty              | 8,708,080            | 28,947              | 0.3%                   |
| Administrative                 | 5,951,154            | 424,328             | 7.1%                   |
| Temporary staff                | 3,008,943            | 109,977             | 3.7%                   |
| Summer school                  | 2,409,809            | 1,277,599           | 53.0%                  |
| Student work study             | 480,000              | 6,850               | 1.4%                   |
| Other faculty (substitute pay) | 57,500               | 2,387               | 4.2%                   |
| Vacant Position Funding        | 173,300              | -                   |                        |
| <b>Total Salaries Exp</b>      | <b>\$ 58,462,323</b> | <b>\$ 3,899,540</b> | <b>6.7%</b>            |

**BREAKDOWN OF BENEFITS EXPENSE**

| <b>Benefits</b>                     | <b>Budget</b>        | <b>Year To Date (YTD)</b> | <b>% YTD to Budget</b> |
|-------------------------------------|----------------------|---------------------------|------------------------|
| Employee Benefits                   | \$ 19,319,574        | \$ 1,196,473              | 6.2%                   |
| OPEB & Insurance Benefits, Retirees | 2,170,476            | 182,519                   | 8.4%                   |
| Employee Benefits - Fee Waiver      | 415,000              | 166,955                   | 40.2%                  |
| Compensated Absences                | 178,949              | -                         |                        |
| Employee Tuition Reimbursement      | 200,000              | 1,900                     | 0.9%                   |
| Unemployment Compensation           | 82,796               | -                         |                        |
| Employee Assist - Concern Care      | 15,000               | -                         |                        |
| <b>Total Salaries Exp</b>           | <b>\$ 22,381,795</b> | <b>\$ 1,547,846</b>       | <b>6.9%</b>            |

\* Compensated absences 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 | \$ 19,265,399        | \$ 1,555,765        | 8.1%                   |
| Utilities Total             | 3,485,764            | 44,787              | 1.3%                   |
| <b>Total</b>                | <b>\$ 22,751,163</b> | <b>\$ 1,600,553</b> | <b>7.0%</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.

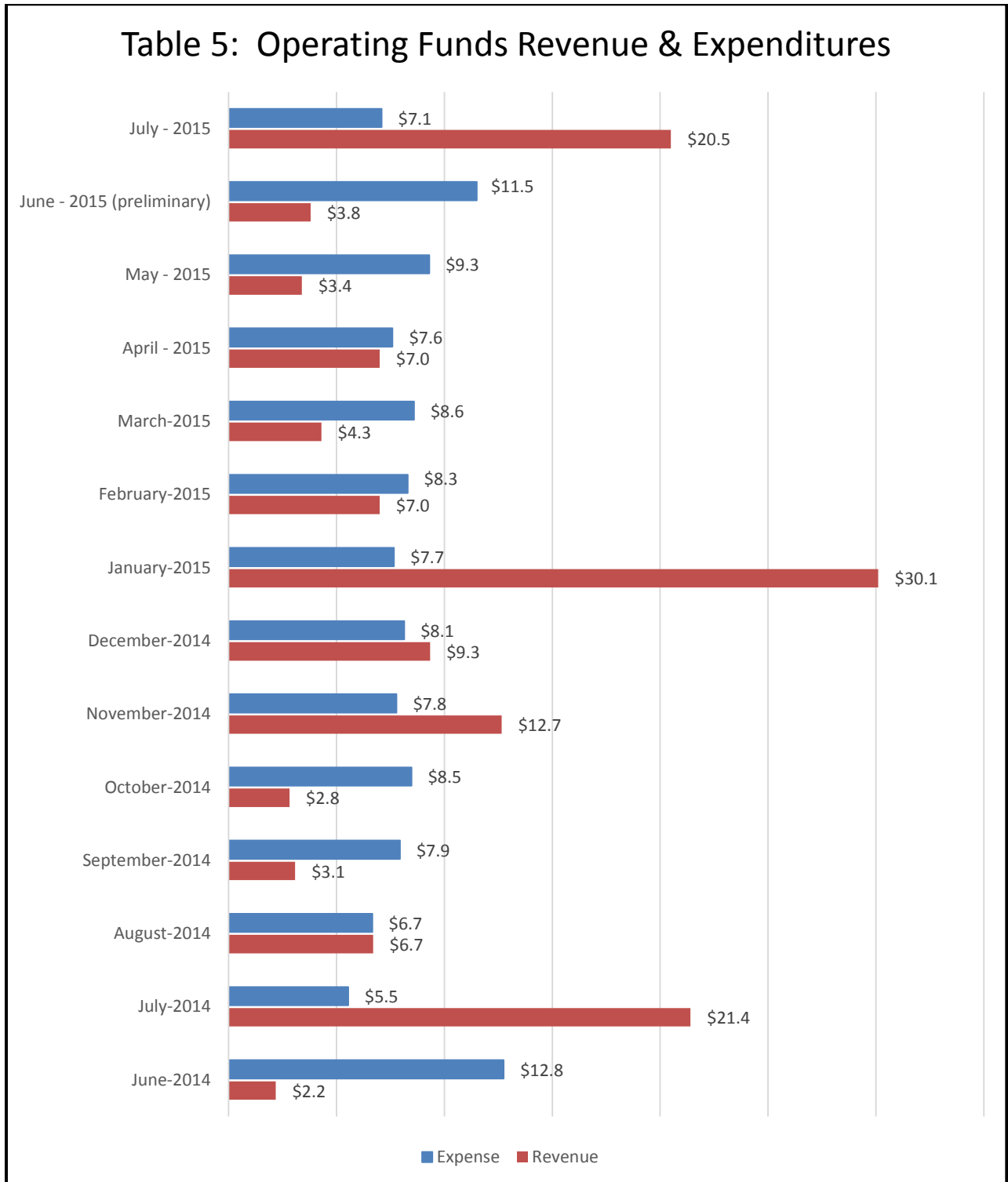
**FY16 YEAR TO DATE EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION**

|                                   |   | 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                  | \$ 2,239,979        | \$ 594,325                  | \$ 546,612       |                                |   |
|                                   | Academic support                                | 389,203                        | 135,706             | 121,123                     |                  |                                | \$ 646,032                                  |
|                                   | Student services                                | 563,408                        | 198,673             | 121,546                     |                  |                                | \$ 883,627                                  |
|                                   | Plant operation and maintenance                 | 148,792                        | 66,287              | 392,462                     | 605              |                                | \$ 608,146                                  |
|                                   | Institutional support                           | 548,854                        | 548,495             | 373,822                     | 44,383           |                                | \$ 1,515,554                                |
|                                   | Public service                                  | 9,303                          | 4,360               |                             |                  |                                | \$ 13,663                                   |
|                                   | Scholarships and fellowships                    |                                |                     |                             |                  | 35,757                         | \$ 35,757                                   |
|                                   | <b>Total Expenses by Natural Classification</b> | <b>\$ 3,899,540</b>            | <b>\$ 1,547,846</b> | <b>\$ 1,555,565</b>         | <b>\$ 44,987</b> | <b>\$ 35,757</b>               | <b>\$ 7,083,695</b>                         |

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

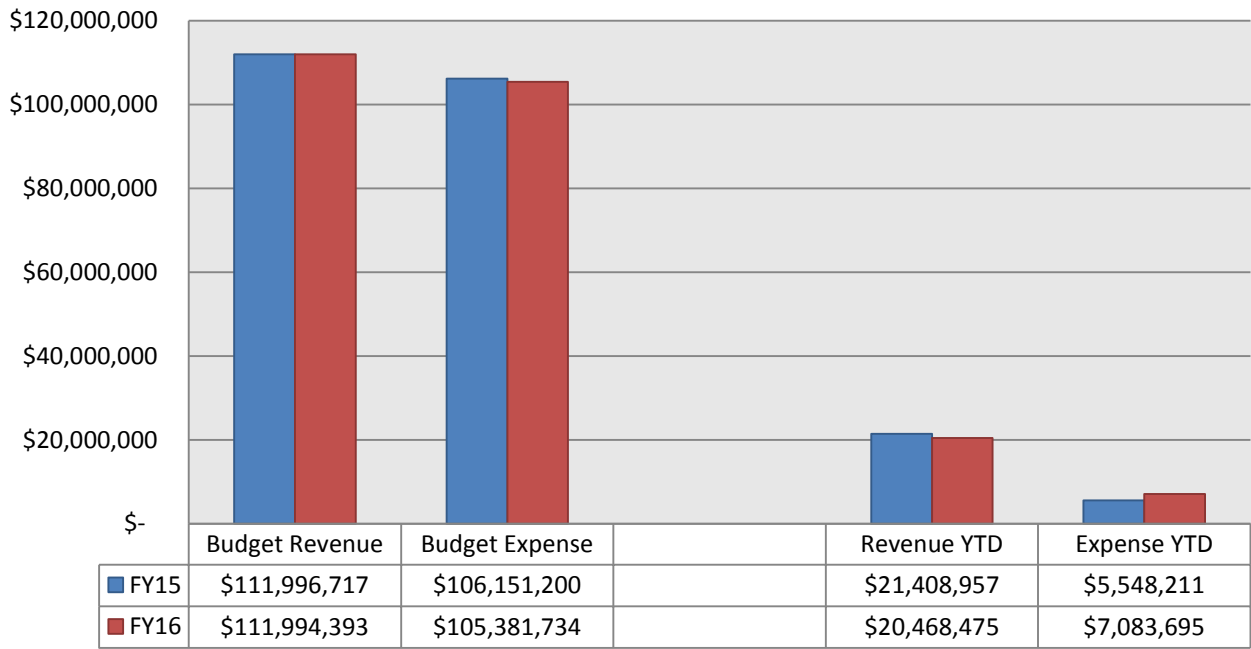
## SUMMARY

**Table 5** outlines revenue and expenditures on a rolling 12 month calendar. The Revenues peak in July 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 July 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> |
|---|-----------------------|---------------------|------------------------|
| Capital Software                                  | \$ 278,092            | \$ 278,092          | 100.00%                |
| Contracted Service                                | 4,214,322             | 266,657             | 6.33%                  |
| Maintenance Agreement Plant                       | 298,980               | 252,952             | 84.60%                 |
| Maintenance Agreement IT                          | 1,458,175             | 243,813             | 16.72%                 |
| Advertising                                       | 666,072               | 96,279              | 14.45%                 |
| Dues & Memberships                                | 291,200               | 88,659              | 30.45%                 |
| Capital Equipment                                 | -                     | 59,707              |                        |
| Other Expense Total                               | 884,431               | 39,864              |                        |
| Subscription                                      | 234,142               | 33,466              | 14.29%                 |
| A/E Fees  | 32,000                | 30,130              | 94.16%                 |
| Contracted Service Construction                   | 196,380               | 20,446              | 10.41%                 |
| Software under \$5,000 non cap                    | 137,595               | 20,057              | 14.58%                 |
| Bank Charge                                       | 244,260               | 19,660              | 8.05%                  |
| Accounting & Auditing                             | 62,500                | 14,950              | 23.92%                 |
| Contracted Instruction                            | 611,560               | 12,179              | 1.99%                  |
| Supplies - Instr/Classroom/Lab                    | 744,563               | 11,727              | 1.58%                  |
| Postage   | 205,814               | 11,410              | 5.54%                  |
| Accreditation                                     | 65,935                | 9,125               | 13.84%                 |
| Supplies Office                                   | 281,615               | 9,087               | 3.23%                  |
| Food / Meals                                      | 101,590               | 5,136               | 5.06%                  |
| Construction Serv-Rent of Equip                   | 407,708               | 4,512               | 1.11%                  |
| Employee Recruitment                              | 22,500                | 4,194               | 18.64%                 |
| Supplies - Paper                                  | 105,474               | 3,921               | 3.72%                  |
| Legal Expense                                     | 510,000               | 3,600               | 0.71%                  |
| Registration Fees                                 | 100,086               | 3,545               | 3.54%                  |
| Travel & Conventions                              | 586,535               | 3,198               | 0.55%                  |
| Liability & Fidelity Bond                         | 463,500               | 2,860               | 0.62%                  |
| Printing / Copy                                   | 171,346               | 2,530               | 1.48%                  |
| Equipment under \$5,000 non cap                   | 1,266,883             | 2,029               | 0.16%                  |
| Mileage   | 118,504               | 1,034               | 0.87%                  |
| Supplies - Grounds                                | 147,750               | 346                 | 0.23%                  |
| Library Books Renewals                            | 49,368                | 297                 | 0.60%                  |
| Supplies - Custodial                              | 115,000               | 284                 | 0.25%                  |
| Operational Expense                               | 23,885                | 20                  | 0.08%                  |
| Auto Expense                                      | 86,710                | -                   |                        |
| Staff Development District Wide                   | 106,650               | -                   |                        |
| Property Insurance                                | 250,000               | -                   |                        |
| Bad Debt Expense / A/R                            | 850,000               | -                   |                        |
| Contingency (M/R, Enhancement Grant) <sup>1</sup> | 2,874,274             | -                   |                        |
| <b>Total</b>                                      | <b>\$ 19,265,399</b>  | <b>\$ 1,555,765</b> | <b>8.08%</b>           |

<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**

July'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        | -                   | 0.0%                   |
| Telephone                  | 550,550             | 44,382.60           | 8.1%                   |
| Gas                        | 238,708             | 604.75              | 0.3%                   |
| Water and Sewer            | 309,630             | (200.00)            | -0.1%                  |
| <b>Total Utilities Exp</b> | <b>\$ 3,485,764</b> | <b>\$ 44,787</b>    | <b>1.3%</b>            |