

MCC MONTHLY FINANCIAL REPORT

For the Period Ending September 30, 2015

This report provides monthly financial data on all major funds for MCC.

MCC Funds Overview

Unrestricted Funds

- **General Fund (110)** – records instructional and administrative activities for the college. Includes all major revenue and expenses sources.
- **Special Projects Fund (120)** – used to account for programs which have been designated as pilot projects or special programs. The majority of the revenue for these programs consists of state vocational funds, state aid, and fees.
- **Business and Continuing Ed/Institute for Workforce Innovation Fund (180)** – records revenue and expenses associated with the Institute for Workforce Innovation.
- **Auxiliary Fund (190)** – includes rental properties (Broadway Plaza and Northland Human Services) and the three major auxiliary service units of the college (bookstore, food service and recreation centers).

Restricted Funds

- **Restricted Fund (410)** – includes all externally-funded programs of the college which restrict the use of the funds to specific activities. The majority of activity in this fund is funded by external grants.

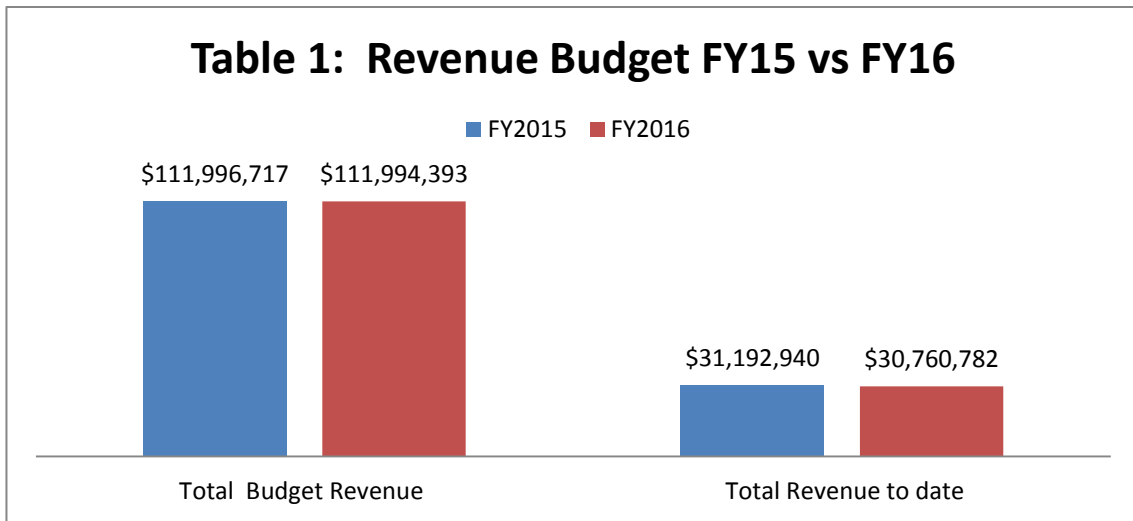
OPERATIONAL FUNDS OVERVIEW (Funds 110 and 120)

Table 1 reflects revenues collected in the Operating Funds, which include both the General Fund and the Special Projects Fund, 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 September, revenue collections were \$30.8 million which represents 27.5% of the budget revenue estimate. During the same time period last year MCC had collected \$31.2 million which was 27.8% of the revenue budgeted.

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

Financial Services is working to identify ways to more closely manage expenses relative to reduced revenue. The primary strategy continues to be hiring fewer adjunct faculty when enrollment is lower; however, these expenses are blended with other personnel expenses and need to be tracked separately. As part of the rework of the budgeting process, this will be improved in the coming year to more closely align expenditure patterns with revenue fluctuations.

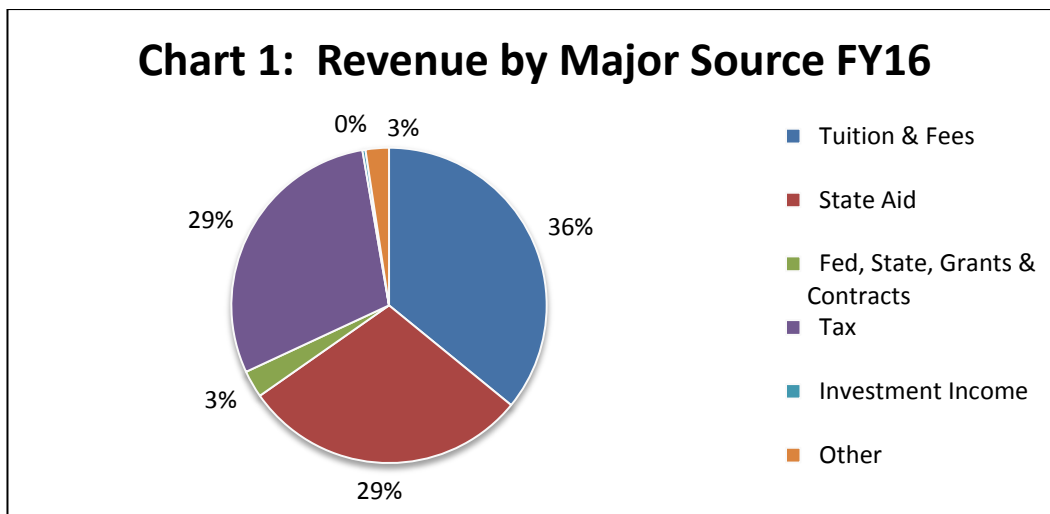
Table 1: Revenue Budget FY15 vs FY16



Revenue Analysis

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

Chart 1: Revenue by Major Source FY16



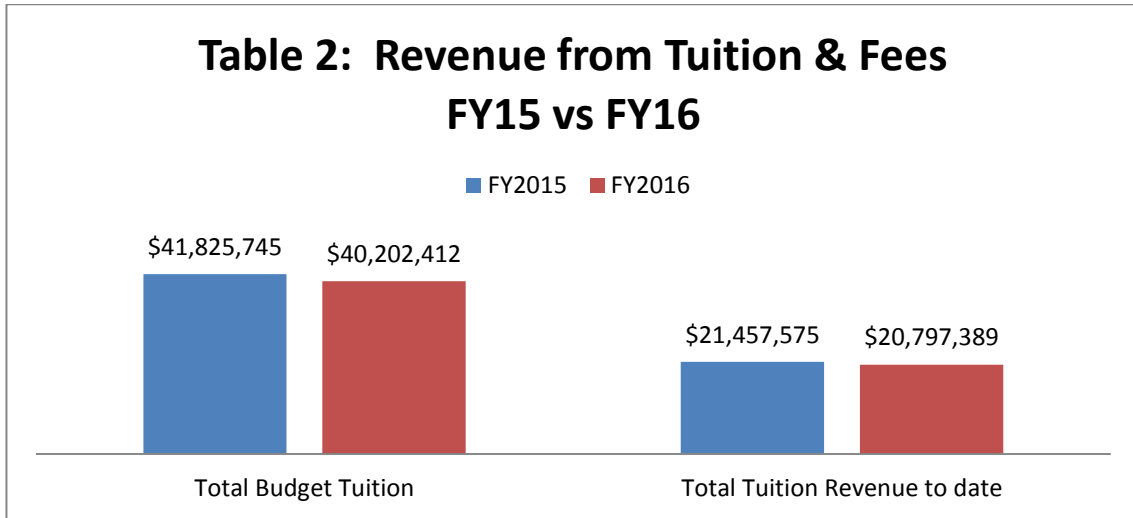
REVENUE BY TYPE YEAR TO DATE

Revenue Type	Budget	Year To Date (YTD)	% YTD to Budget
Tuition & Fees	\$ 40,202,412	\$ 20,797,389	51.7%
State Aid	32,910,979	7,939,920	24.1%
Fed, State, Grants & Contracts	3,126,500	197,119	6.3%
Tax	32,722,453	546,960	1.7%
Investment Income	350,000	88,511	25.3%
Other	2,682,049	1,190,883	44.4%
Total Revenue	\$ 111,994,393	\$ 30,760,782	27.5%

Table 2 reflects the revenue from tuition and fees; and highlights the budgeted amount, 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

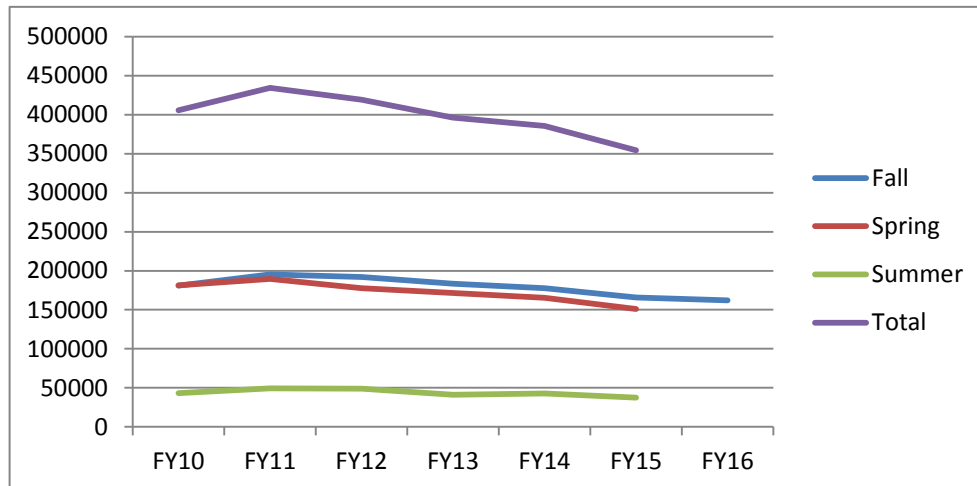


ENROLLMENT TRENDS

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 fiscal year 2015-16. For the fall semester, MCC had approximately 162,148 as compared to approximately 165,000 in the fall of 2014. This is a reduction of approximately 2,852 credit hours in enrollment, which is approximately a 2% decline (under the estimated 3% reduction in the budget).

HISTORICAL COMPARISON OF TOTAL CREDIT HOURS BY SEMESTER
INCLUDES ALL CREDIT HOURS: CORE, DUAL CREDIT, AND APPLIED LANGUAGE INSTITUTE



This is consistent with the trends all but one community college in Missouri experienced for this fall with reductions from 3% to 10% across the board. Enrollment Services is working with the campuses on strategies to retain students and thereby stabilize and/or increase enrollment.

BREAKDOWN OF TUITION & FEES REVENUE

Tuition and Fees. The budget projected that tuition and fees would 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	\$ 18,467,467	52.1%
Program Lab Fee	2,655,651	1,287,063	48.5%
Technology Fee	985,873	498,896	50.6%
Clinical Fee	630,500	321,600	51.0%
Student Activity Fee	410,780	207,868	50.6%
Contracted Instruction	75,000	24,615	32.8%
Penalty Charge - Returned Checks	-	1,238	
Refund District Resident Fee	-	(11,358)	
Total Tuition & Fees	\$ 40,202,412	\$ 20,797,389	51.7%

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	7,939,920	25.0%
Repair & Maintenance	1,151,299	-	
Total State Aid	\$ 32,910,979	\$ 7,939,920	24.1%

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

Fed, State, Grants & Contracts	Budget	Year To Date	% YTD to Budget
Missouri Vocational Revenue	\$ 1,393,200	\$ 150,000	10.8%
Perkins	876,800	-	0.0%
Department of Ed	480,000	33,423	7.0%
Overhead Revenue	366,500	11,553	3.2%
State of Missouri - Other	10,000	2,144	21.4%
Total Fed, State, Grant & Contract	\$ 3,126,500	197,119	6.3%

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.

Taxes	Budget	Year To Date	% YTD to Budget
Jackson County	\$ 22,769,953	\$ 445,410	2.0%
Clay County	5,310,000	64,850	1.2%
Platte County	3,779,000	23,864	0.6%
Cass County	863,500	12,835	1.5%
Total Taxes	\$ 32,722,453	\$ 546,960	1.7%

Investment income. The year-end 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.

Investment Income	Budget	Year To Date	% YTD to Budget
Investment Earnings	\$ 350,000	123,981	35.4%
Unrealized Gains/Losses	-	(35,470)	
Total Investment Income	\$ 350,000	\$ 88,511	25.3%

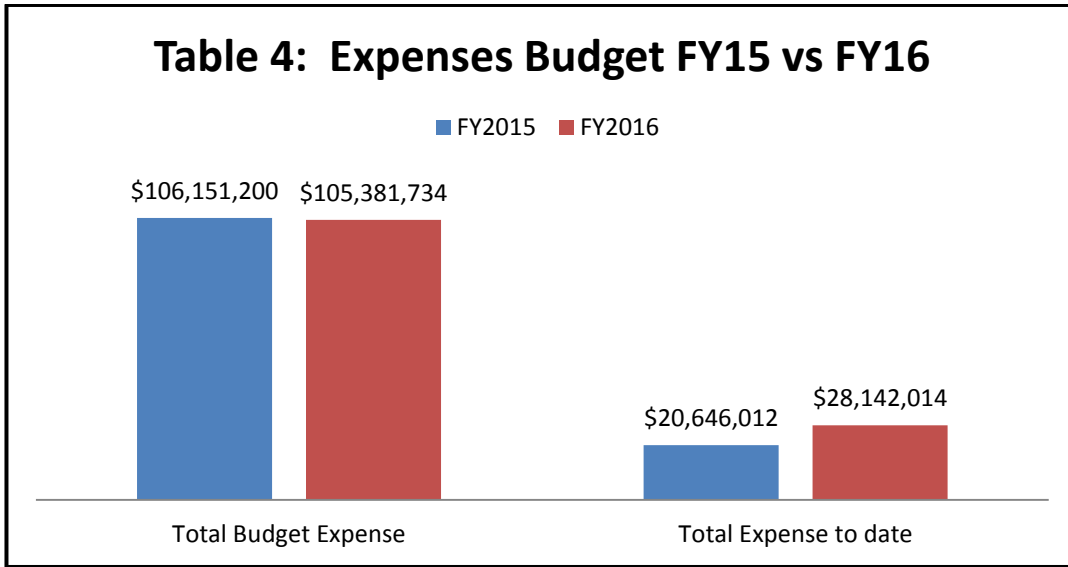
Miscellaneous Income includes student fees and activity fees, the application fee, miscellaneous income from insurance, other program revenue, memberships, rentals, sale of equipment, etc.

Other Revenue	Budget	Year To Date	% YTD to Budget
Other Student Fees & Activity	\$ 1,348,829	\$ 717,236	53.2%
Application Fee	430,000	228,428	53.1%
Miscellaneous Income	498,720	86,265	17.3%
Insurance Fee	126,000	73,327	
Non-Federal/State Grant Revenue	113,500	-	
Rental	89,000	72,002	80.9%
Late Fee	30,000	9,790	32.6%
Sports Lessons	38,000	990	2.6%
Pay Plan Fee	8,000	2,845	35.6%
Total Other Income	\$ 2,682,049	\$ 1,190,883	44.4%

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 September expenses were \$28,142,014 or 26.7% of the total budget; whereas the prior year as of September, expenses were \$20,646,012 or 22.2% 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.

Table 4: Expenses Budget FY15 vs FY16



BUDGET TO ACTUAL EXPENSES YEAR TO DATE

Category	Budget	Year To Date	% YTD to Budget
Salaries	\$ 58,453,057	\$ 12,054,521	20.6%
Benefits	22,395,467	11,199,539	50.0%
Supplies and Other Sevcies	19,260,993	3,608,049	18.7%
Utilities	3,485,764	713,450	20.5%
Scholarships and Fellowships	1,786,453	566,455	31.7%
Total Operating Expenses	\$ 105,381,734	\$ 28,142,014	26.7%

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. A 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	\$ 6,114,840	\$ 1,795,658	\$ 1,032,615	\$ 61		\$ 8,943,174
	Academic support	1,400,967	509,457	341,540	32,033		\$ 2,283,997
	Student services	1,922,086	720,802	207,034			\$ 2,849,922
	Plant operation and maintenance	588,595	266,097	1,060,848	513,669		\$ 2,429,209
	Institutional support	1,988,934	7,895,716	966,013	167,687		\$ 11,018,350
	Public service	39,098	11,809				\$ 50,907
	Scholarships and fellowships					566,455	\$ 566,455
	Total Expenses by Natural Classification	\$ 12,054,520	\$ 11,199,539	\$ 3,608,050	\$ 713,450	\$ 566,455	\$ 28,142,014

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

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.

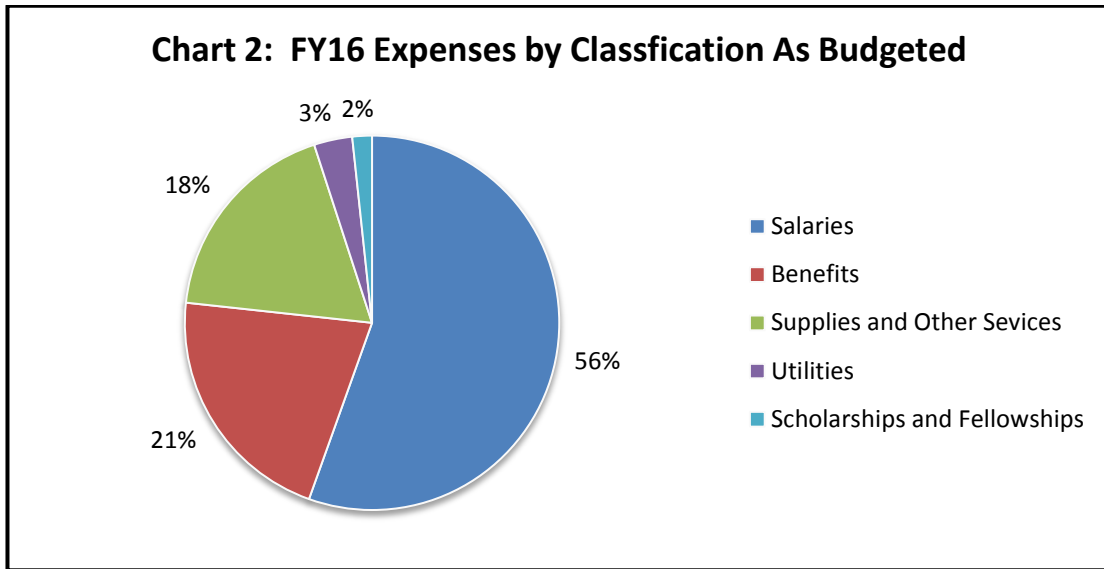
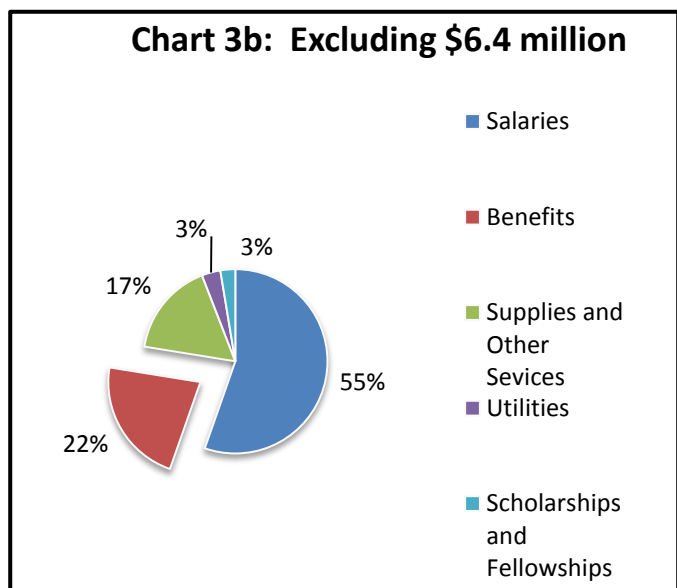
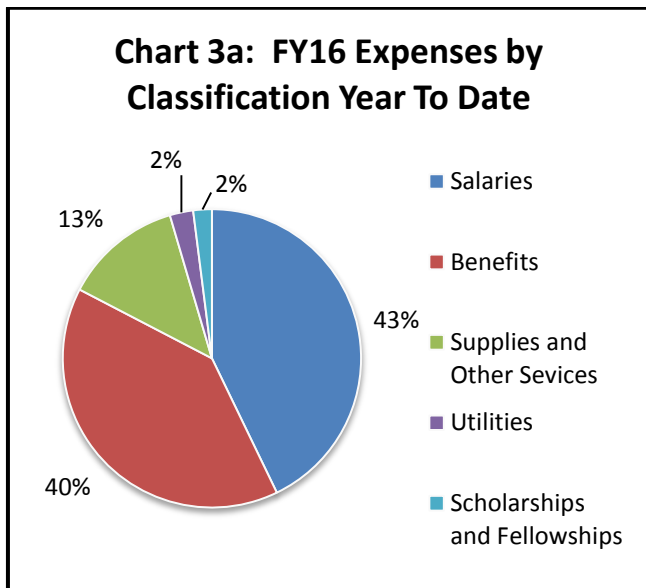


Chart 3 illustrates that as of September 2015, the expenditure by type year to date is consistent with the budget, with the exception of the \$6.4 million in retirement system payment reclassification as mentioned above which is part of the benefit expenses.

Financial Services is working with an accounting firm to explore reporting financial data based on fund accounting in addition to the full accrual accounting that is required for higher education institutions by GASBY. This would provide data on spendable financial resources available for immediate expenses.



BREAKDOWN OF SALARIES EXPENSE

Salaries	Budget	Year To Date	% YTD to Budget
Staff	\$ 22,971,598	4,436,109	19.3%
Faculty	14,705,543	3,406,242	23.2%
Part time faculty	8,707,520	1,094,846	12.6%
Administrative	5,951,154	1,305,210	21.9%
Temporary staff	2,996,633	461,358	15.4%
Summer school	2,409,809	1,305,398	54.2%
Student work study	480,000	33,629	7.0%
Other faculty (substitute pay)	57,500	11,728	20.4%
Vacant Position Funding	173,300	-	
Total Salaries Exp	\$ 58,453,057	\$ 12,054,521	20.6%

BREAKDOWN OF BENEFITS EXPENSE

Benefits	Budget	Year To Date (YTD)	% YTD to Budget
Employee Benefits	\$ 19,318,246	4,020,533	20.8%
OPEB & Insurance Benefits, Retirees	2,170,476	551,596	25.4%
Employee Benefits - Fee Waiver	415,000	223,039	53.7%
Employee Tuition Reimbursement	215,000	27,445	12.8%
Compensated Absences	178,949	-	
Unemployment Compensation	82,796	1,680	
Employee Assist - Concern Care	15,000	2,369	15.8%
Pension Expense		6,372,878	
Total Salaries Exp	\$ 22,395,467	\$ 11,199,539	50.0%

* 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

Supplies / Other	Budget	Year To Date	% YTD to Budget
Supplies and Other Sevices	\$ 19,260,993	\$ 3,608,049	18.7%
Utilities Total	3,485,764	713,450	20.5%
Total	\$ 22,746,757	\$ 4,321,499	19.0%

SUMMARY

Table 5 outlines revenue and expenditures on a rolling 12 month calendar. The Revenues peak in July/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 5: Operating Funds Revenue & Expenditures

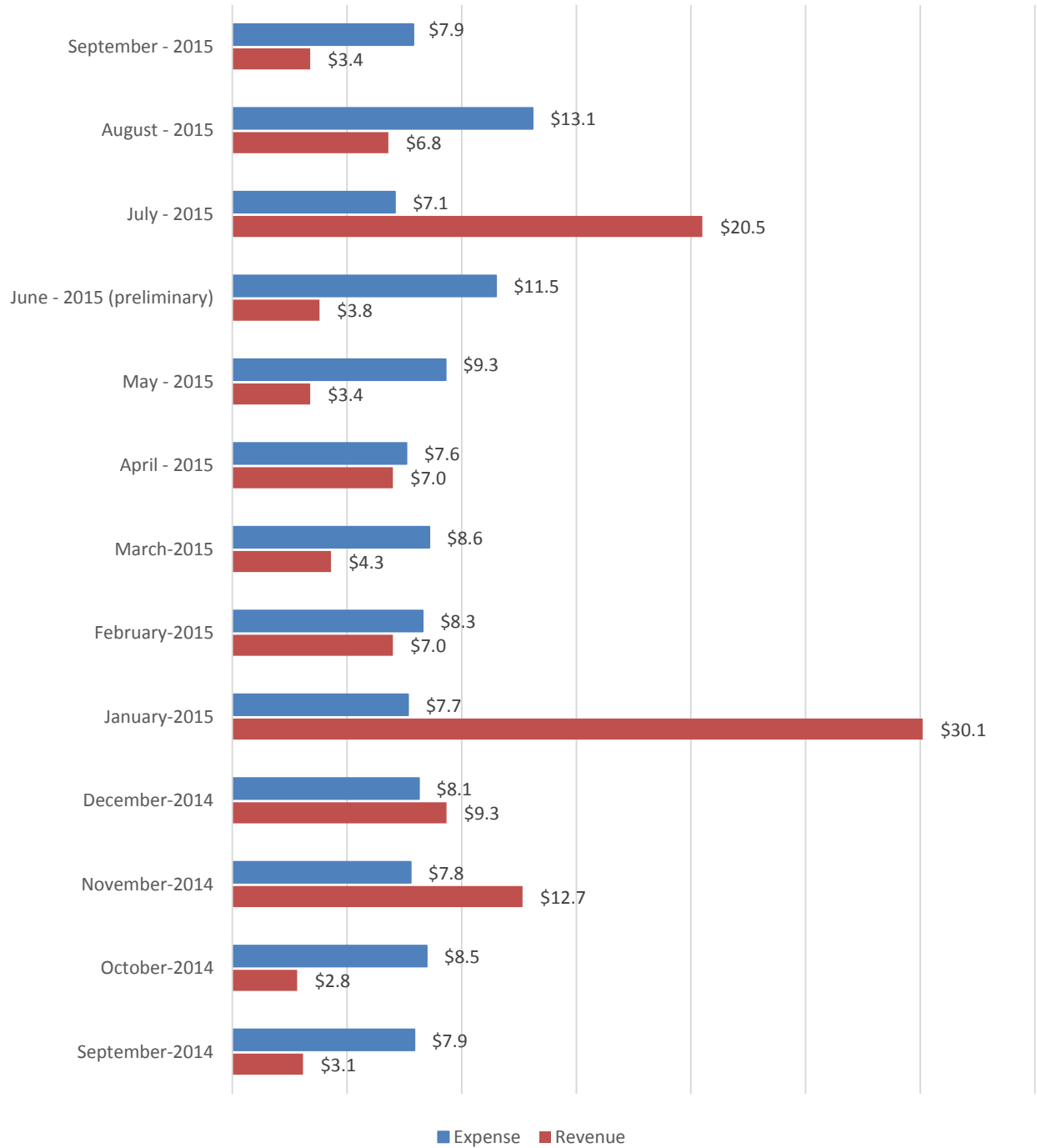
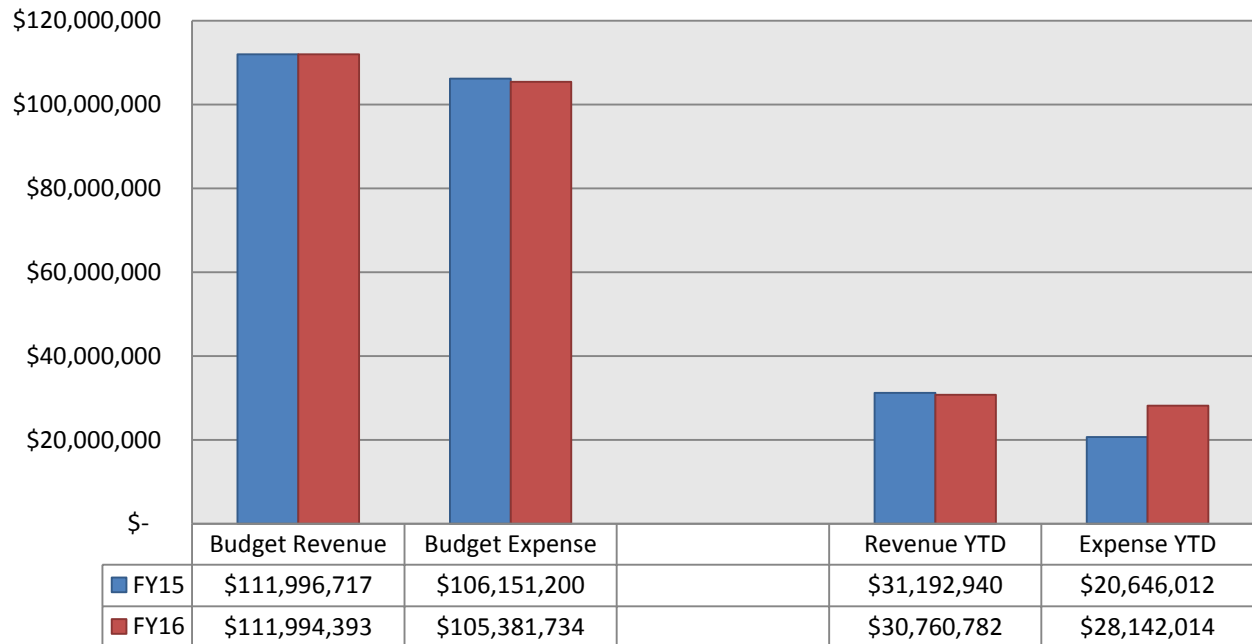


Table 6 summarizes the revenues and expenditures as budgeted and the year to date actual as of September 2015. The budget was adopted envisioning relatively flat revenue.

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



**ADDITIONAL FUNDS MONTHLY FINANCIAL REPORT
For the Period Ending September 30, 2015**

BUSINESS & CONTINUING ED/IWI FUND OVERVIEW

Table 7a reflects the major revenue sources revenues in the Business and Continuing Ed Fund for the current fiscal year.

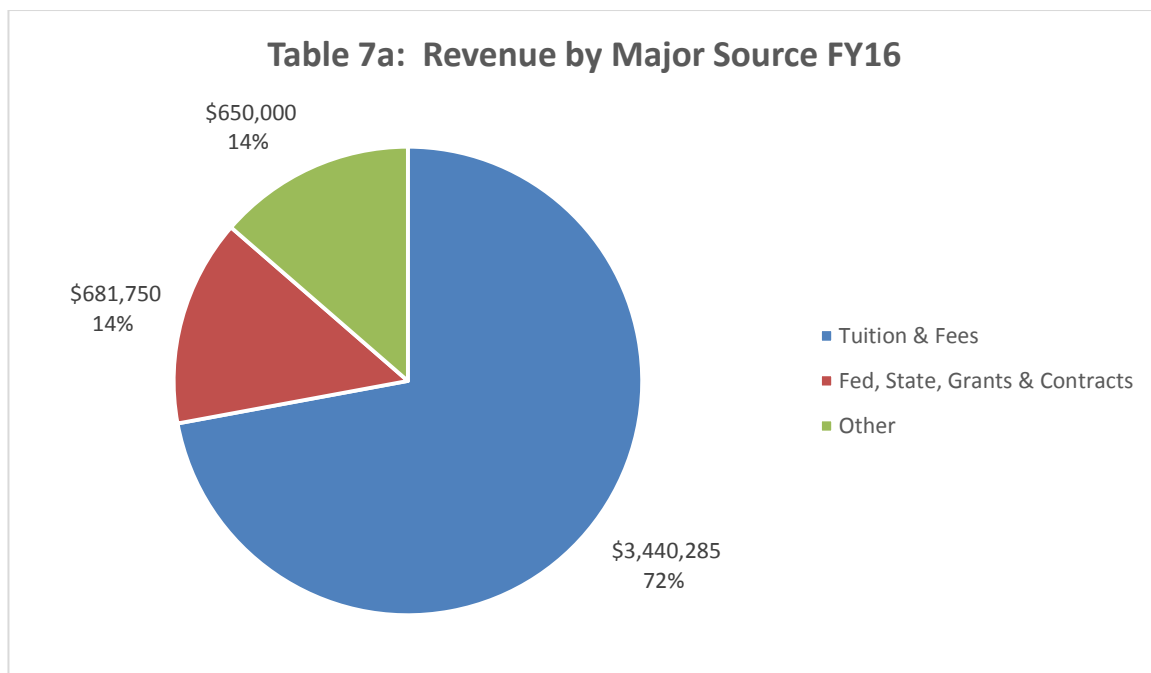


Table 7b demonstrates the revenue and expenses for the current fiscal year with comparisons to the budgeted amounts. Through September, revenue is approximately \$900,000 and expenses are approximately \$700,000 million for a net income of \$200,000. The budgeted year financial goal for the Business and Continuing Education fund is \$260,000 in net revenue. This revenue is contributed to the general fund to support the College at large.

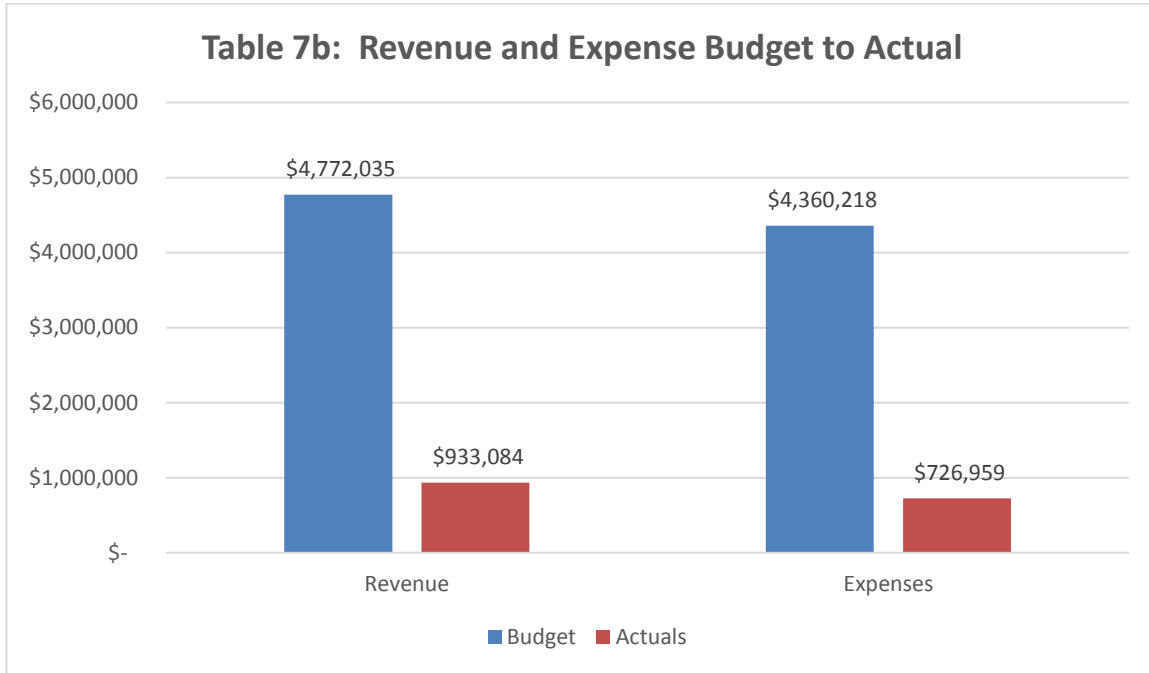
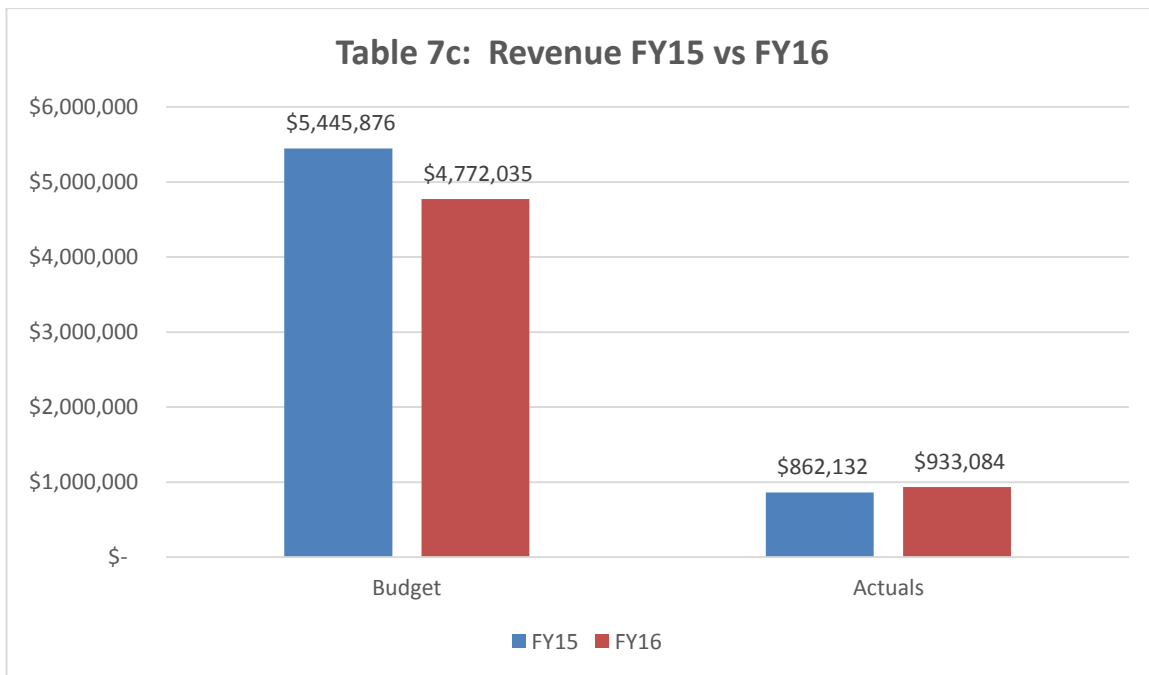
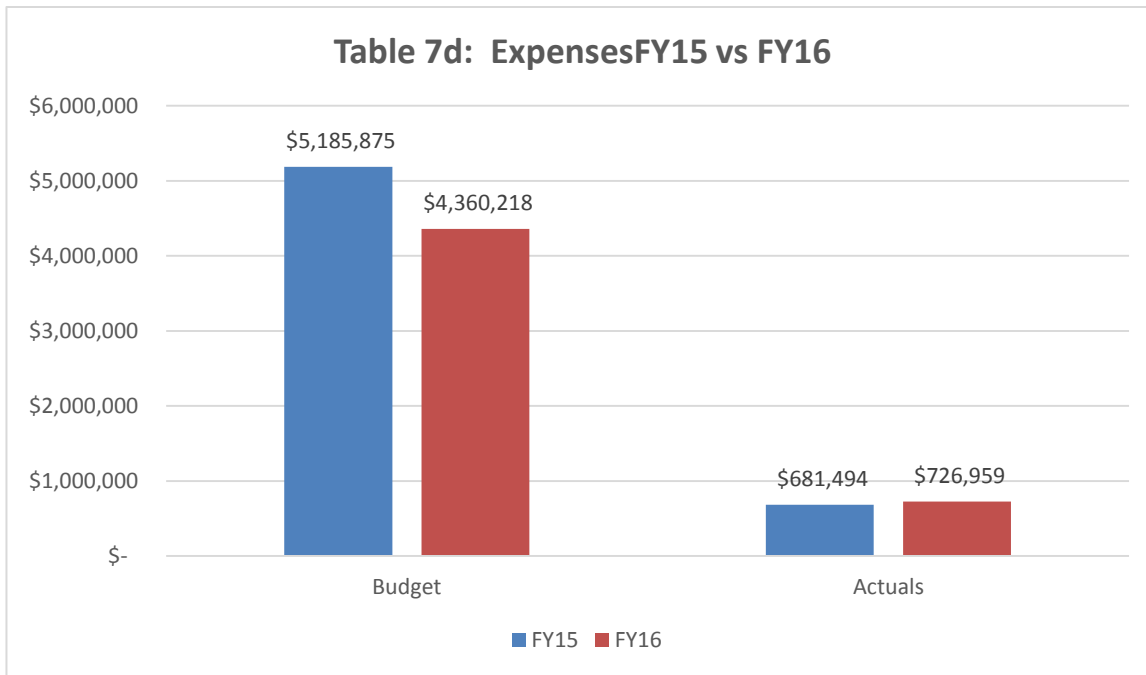


Table 7c and **Table 7d** display the budgeted and actual revenue and expenses for the current and prior fiscal years.





AUXILIARY FUND OVERVIEW

Table 9a reflects revenues and expenses in the Auxiliary Fund for the current fiscal year with comparisons to the budgeted amounts. Through September, revenue is \$3.6 million and expenses are \$3.1 million for a net revenue of \$.5 million. The bookstores have and continue to be the main area of revenue in this fund. In September, management of the bookstores was outsourced to Follett. This will provide expanded services to students and guarantees revenues of \$1.1 million however, with the retainage of the majority of the full time staff it is anticipated that the net revenue will be closer to \$600,000 in future years. The Pioneer lease was also ended however, there are one full time facilities employee and two part time employees with salary and benefits recorded in this location. These employees have been transitioned to the College and these expenses will be transferred as well at the mid year adjustment.

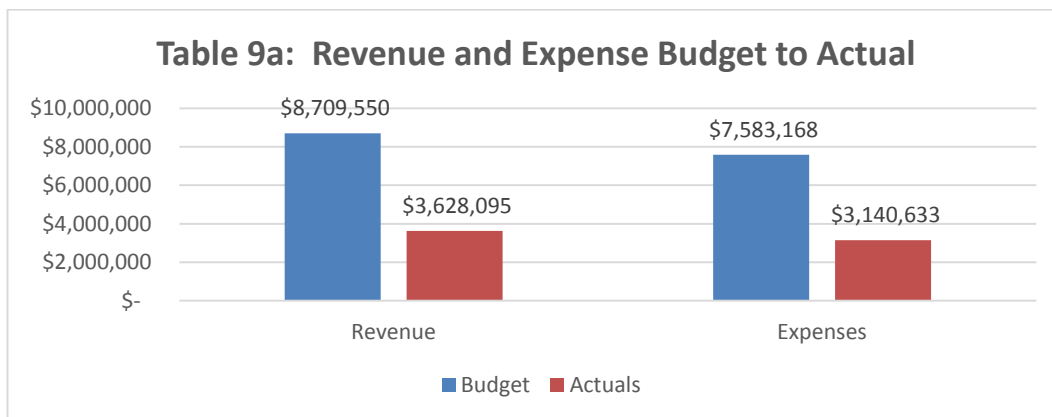
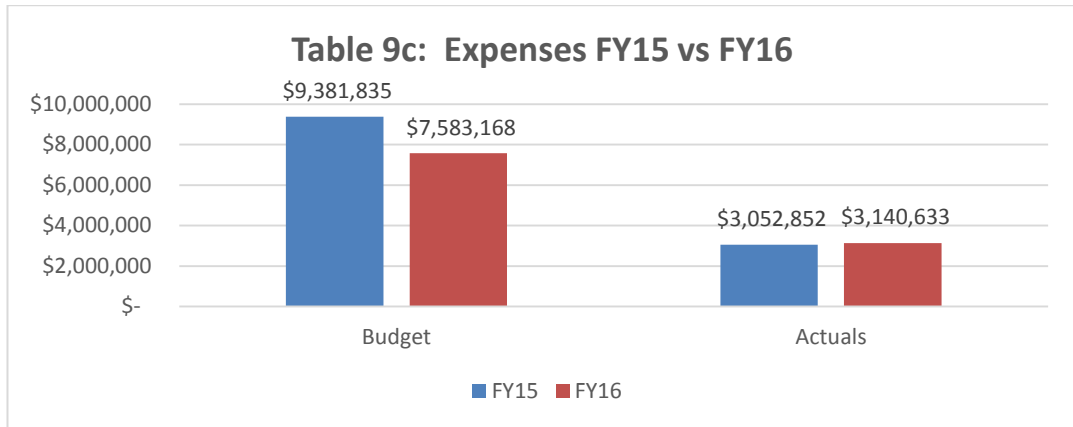
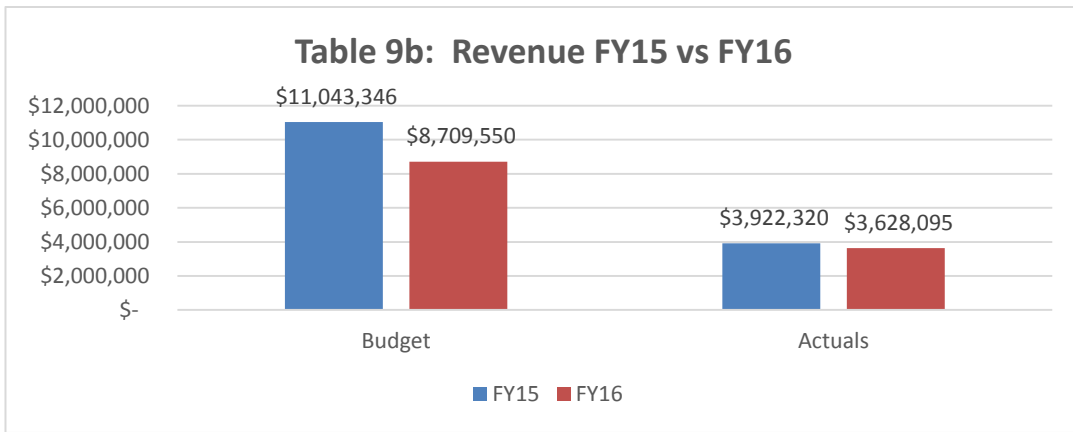


Table 9b and **Table 9c** display the budgeted and actual revenue and expenses for the current and prior fiscal years.



RESTRICTED FUND OVERVIEW (Grant Fund 410)

Table 10a reflects revenues and expenses in the Restricted Fund for the current fiscal year with comparisons to the budgeted amounts. Through September, revenue is \$.2 million and expenses are \$1.3 million for a net loss of \$1.1 million. The major grants recorded in this fund include Title III/FOCUS grants, located at Penn Valley (\$.6 million), Blue River (\$.6 million) and at the District level (\$2.4 million), and the MoSTEM (\$2.3 million for MCC's portion) grant which is managed by IWI for the district. MCC is the lead for MoSTEM grant with the other Missouri community colleges as subgrantees. The grants that are included in this fund are reimbursement grants and therefore the "loss" is actually only a timing issue. Typically, quarterly or monthly reimbursement requests are sent to the funding source. Once reimbursements are received, these funds will meet budget revenue and expense.

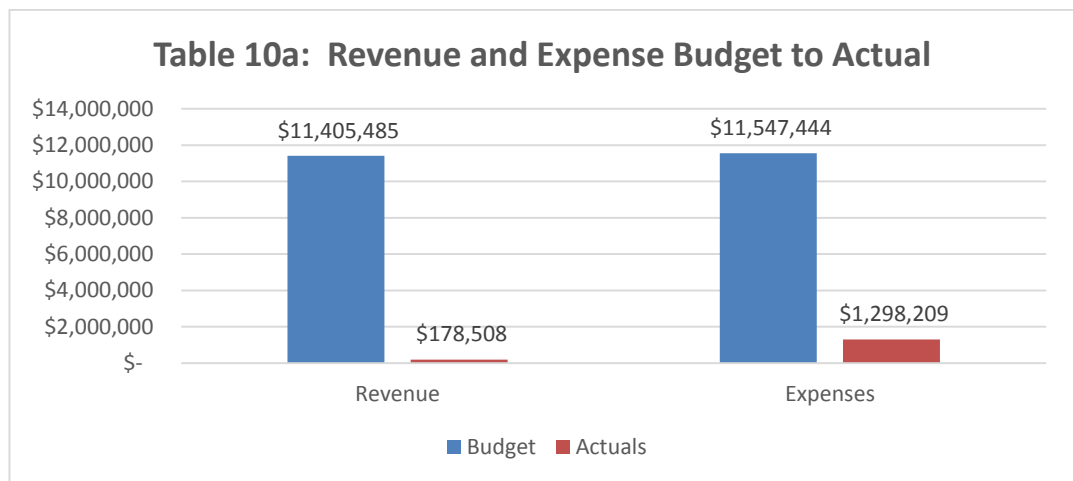


Table 10b and **Table 10c** display the budgeted and actual revenue and expenses for the current and prior fiscal years.

