

MCC MONTHLY FINANCIAL REPORT

For the Period Ending November 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).

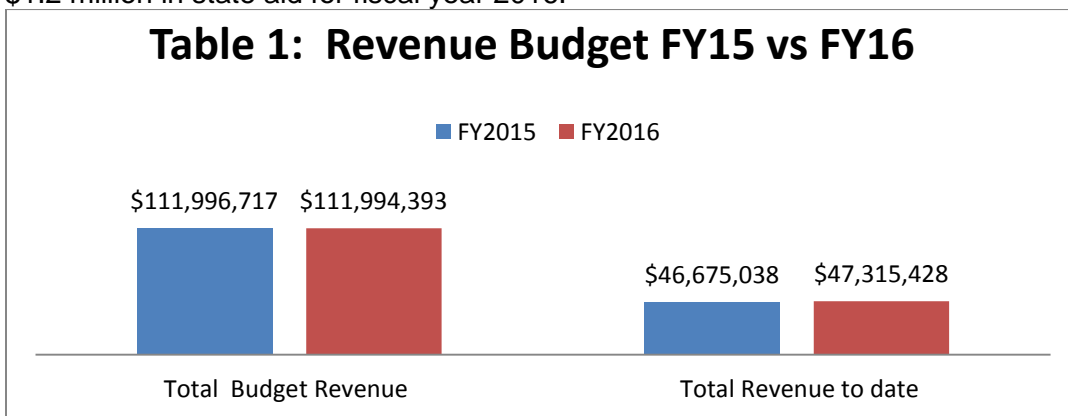
Restricted Funds

- **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 November, revenue collections were \$47.3 million which represents 42.2% of the budget revenue estimate. During the same time period last year MCC had collected \$46.7 million which was 41.6% of the revenue budgeted.

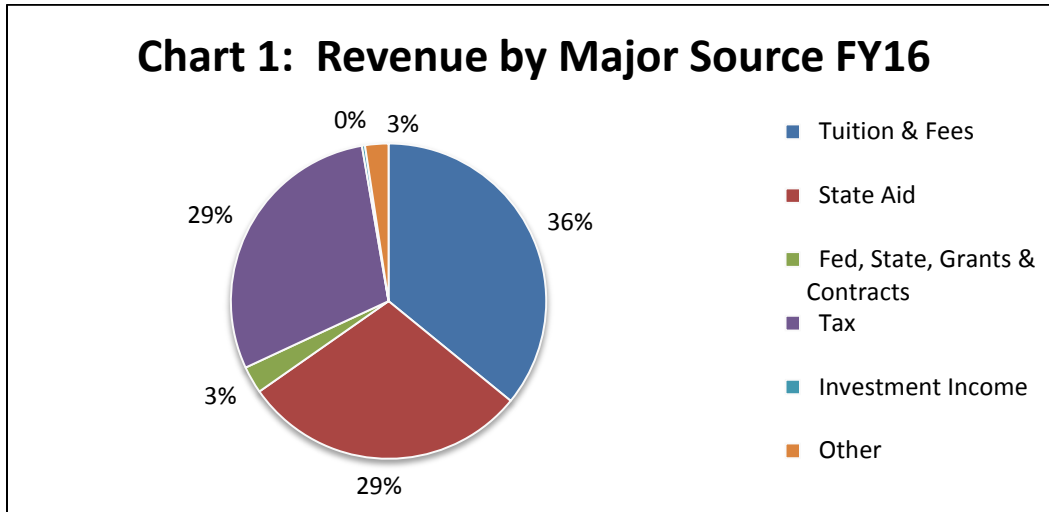
The primary area of increase is in state aid which is up \$855,000 compared to the prior year. We budgeted for an increase of \$1.2 million in state aid for fiscal year 2016.



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 adjustments.

Revenue Analysis

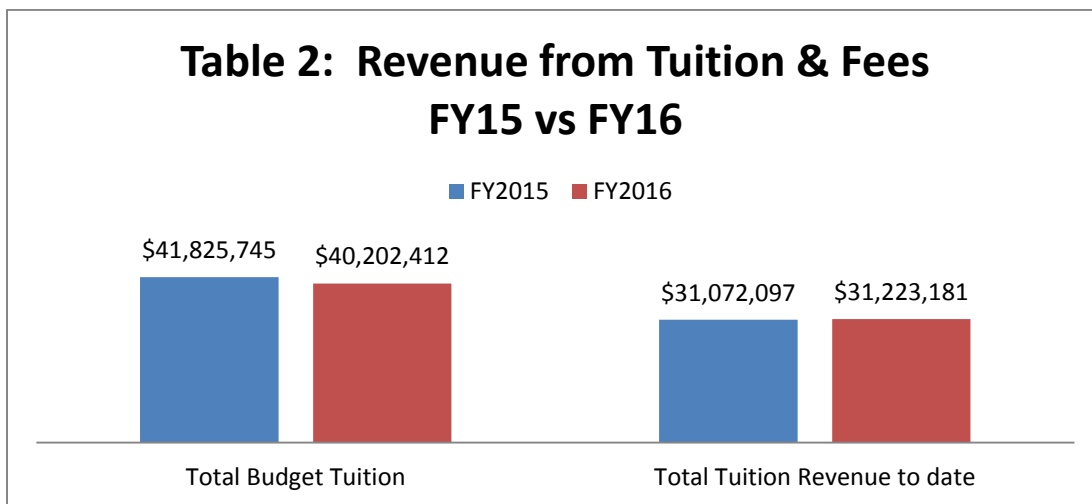
Chart 1 illustrates the overall MCC budget has primarily three revenue sources, tuition & fees, state aid, and taxes.



REVENUE BY TYPE YEAR TO DATE

Revenue Type	Budget	Year To Date (YTD)	% YTD to Budget
Tuition & Fees	\$ 40,202,412	\$ 31,223,181	77.7%
State Aid	32,910,979	13,233,200	40.2%
Fed, State, Grants & Contracts	3,126,500	363,067	11.6%
Tax	32,722,453	740,864	2.3%
Investment Income	350,000	167,387	47.8%
Other	2,682,049	1,587,729	59.2%
Total Revenue	\$ 111,994,393	\$ 47,315,428	42.2%

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 per credit hour.



As of November 30, revenue related to tuition and fees remains consistent with fiscal year 2015.

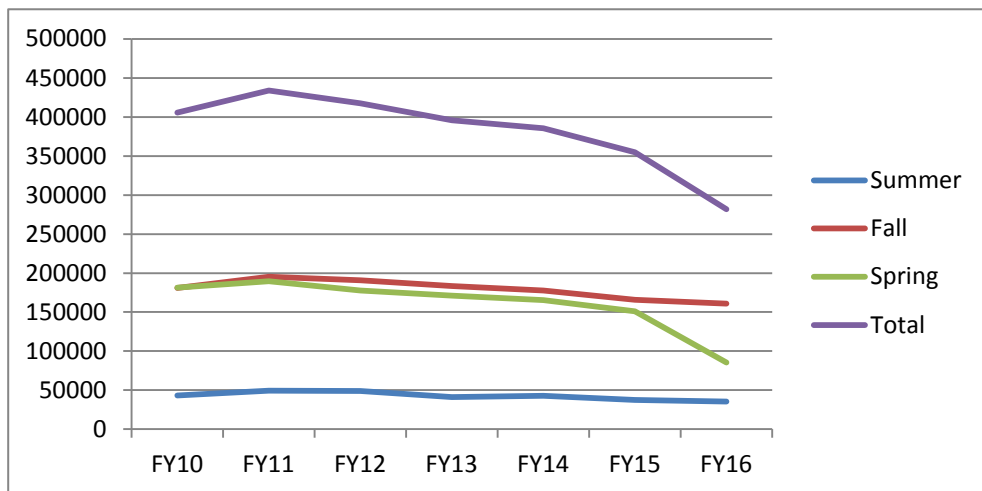
ENROLLMENT TRENDS

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 total credit hours for fiscal year 2015-16. For the fall semester of 2015, MCC had approximately 160,882 of total credit hours on state aid day (9-11-15) as compared to 165,834 in the fall of 2014. This is a reduction of approximately 4,952 credit hours in enrollment, which is approximately a 3% decline which is what was anticipated in the budget. Spring enrollment began on November 11th. As of November 30th, spring 2016 enrollment was at 58.3% of the budgeted amount which is up from 49.8% for spring 2015.

HISTORICAL COMPARISON OF TOTAL CREDIT HOURS BY SEMESTER

Includes core (fund 110), dual credit (fund 120), and applied language institute (fund 120) credit hours



* Spring enrollment is YTD and not final numbers; classes for Spring 2016 begin January 11.

Revenue and payroll expenses for the summer term are split 50-50 at this time between fiscal years. This process is under review due to pension plan requirements and may change in the future.

BREAKDOWN OF TUITION & FEES REVENUE

Tuition and Fees. The budget projected that tuition and fees would decline 3% (due to projected enrollment) for FY16. The upcoming spring term payment dates for students who chose the payment plan are Dec. 15, Jan. 15, Feb. 15 and Mar. 15.

Tuition & Fees	Budget	Year To Date	% YTD to Budget
Tuition	\$ 35,444,608	\$ 27,529,419	77.7%
Program Lab Fee	2,655,651	2,032,475	76.5%
Technology Fee	985,873	751,398	76.2%
Clinical Fee	630,500	580,200	92.0%
Student Activity Fee	410,780	313,076	76.2%
Contracted Instruction	75,000	33,350	44.5%
Penalty Charge - Returned Checks	-	1,863	
Refund District Resident Fee	-	(18,600)	
Total Tuition & Fees	\$ 40,202,412	\$ 31,223,181	77.7%

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	13,233,200	41.7%
Repair & Maintenance	1,151,299	-	
Total State Aid	\$ 32,910,979	\$ 13,233,200	40.2%

Grants and contracts are budgeted to be consistent with the prior fiscal year. **The Missouri legislature passed 2015 Board of Public Buildings bonds in September resulting in over \$4 million in capital improvements funds. The first reimbursement using these funds was for maintenance of the Maple Woods parking lot.** It is anticipated that these funds will be expended primarily in this fiscal year, which will be represented in the mid-year budget adjustment.

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	88,737	18.5%
Board of Public Buildings Bonds	-	67,642	
Overhead Revenue	366,500	40,145	11.0%
State of Missouri - Other	10,000	16,543	165.4%
Total Fed, State, Grant & Contract	\$ 3,126,500	363,067	11.6%

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. 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	\$ 570,608	2.5%
Clay County	5,310,000	99,557	1.9%
Platte County	3,779,000	54,195	1.4%
Cass County	863,500	16,504	1.9%
Total Taxes	\$ 32,722,453	\$ 740,864	2.3%

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 is attributed to the reversal of the 2015 fiscal year end 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.

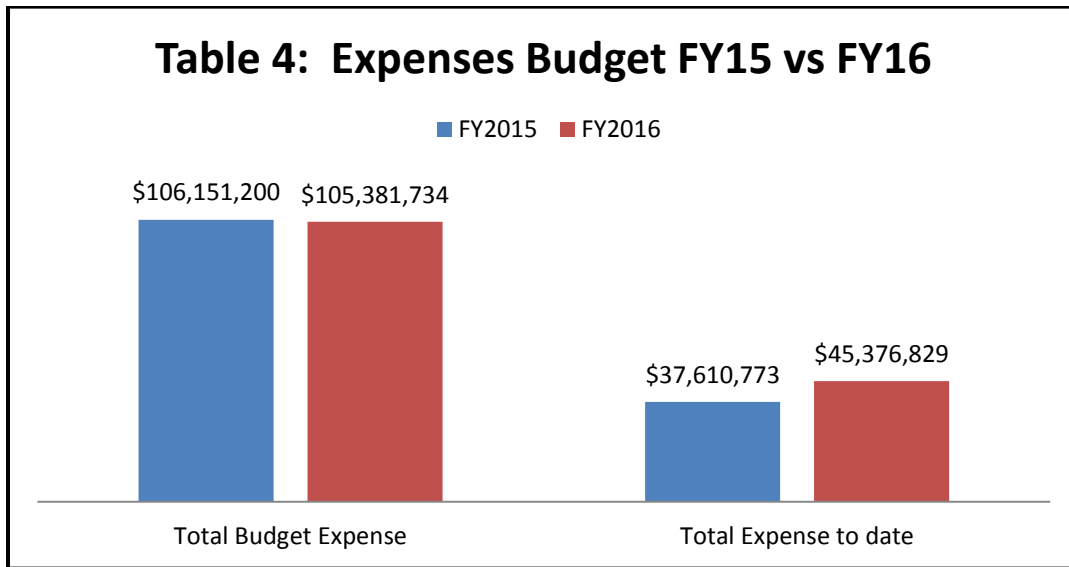
Investment Income	Budget	Year To Date	% YTD to Budget
Investment Earnings	\$ 350,000	202,857	58.0%
Unrealized Gains/Losses	-	(35,470)	
Total Investment Income	\$ 350,000	\$ 167,387	47.8%

Miscellaneous (Other) 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	\$ 1,062,598	78.8%
Application Fee	430,000	270,218	62.8%
Miscellaneous Income	393,720	53,368	13.6%
Insurance Fee	126,000	22,992	18.2%
Non-Federal/State Grant Revenue	113,500	4,242	3.7%
Other Program Revenue	105,000	37,312	35.5%
Rental	89,000	104,754	117.7%
Late Fee	30,000	25,590	85.3%
Sports Lessons	38,000	2,665	7.0%
Pay Plan Fee	8,000	3,990	49.9%
Total Other Income	\$ 2,682,049	\$ 1,587,729	59.2%

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 November expenses were \$45,376,829 or 43.1% of the total budget; whereas the prior year as of November, expenses were \$37,610,773 or 40.5% 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	\$ 59,058,928	\$ 22,761,115	38.5%
Benefits	21,736,436	14,755,092	67.9%
Supplies and Other Sevcies	19,134,790	6,139,654	32.1%
Utilities	3,665,127	1,137,239	31.0%
Scholarships and Fellowships	1,786,453	583,729	32.7%
Total Operating Expenses	\$ 105,381,734	\$ 45,376,829	43.1%

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	\$ 11,597,993	\$ 3,140,745	\$ 1,371,818	\$ 124	\$ -
	Academic support	2,653,443	908,170	805,329	64,156	-	4,431,098
	Student services	3,538,531	1,274,870	406,872	-	-	5,220,273
	Plant operation and maintenance	1,157,740	494,257	1,665,255	854,712	-	4,171,964
	Institutional support	3,774,310	8,925,241	1,890,380	218,247	-	14,808,178
	Public service	39,098	11,809	-	-	-	50,907
	Scholarships and fellowships	-	-	-	-	583,729	583,729
	Total Expenses by Natural Classification	\$ 22,761,115	\$ 14,755,092	\$ 6,139,654	\$ 1,137,239	\$ 583,729	\$ 45,376,829

Instructional includes expenses directly associated with the instructional divisions of the institution such as all direct expenses related to instruction including full time and part time faculty, classroom supplies, etc.

Academic support includes activities and services that support the institution's primary missions of instruction and public service such as deans, advising, developmental education, portions of IT, etc.

Student Services expenses associated with admissions, registrar activities, and activities whose primary purpose is to contribute to students' their intellectual, cultural, and social development outside the context of the formal instructional program such as admissions, enrollment management, financial aid administration, etc.

Plant Operation and Maintenance including utilities, custodial, maintenance and repair, and capital projects.

Institutional Support expenses associated with the day-to-day operational support of the institution including HR, accounting, payroll, management, legal, foundation, portions of IT, etc.

Public service expenses associated with activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution (this includes funding for 3.5 FTE salaries for the youth worker training program at the Francis Institute).

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.

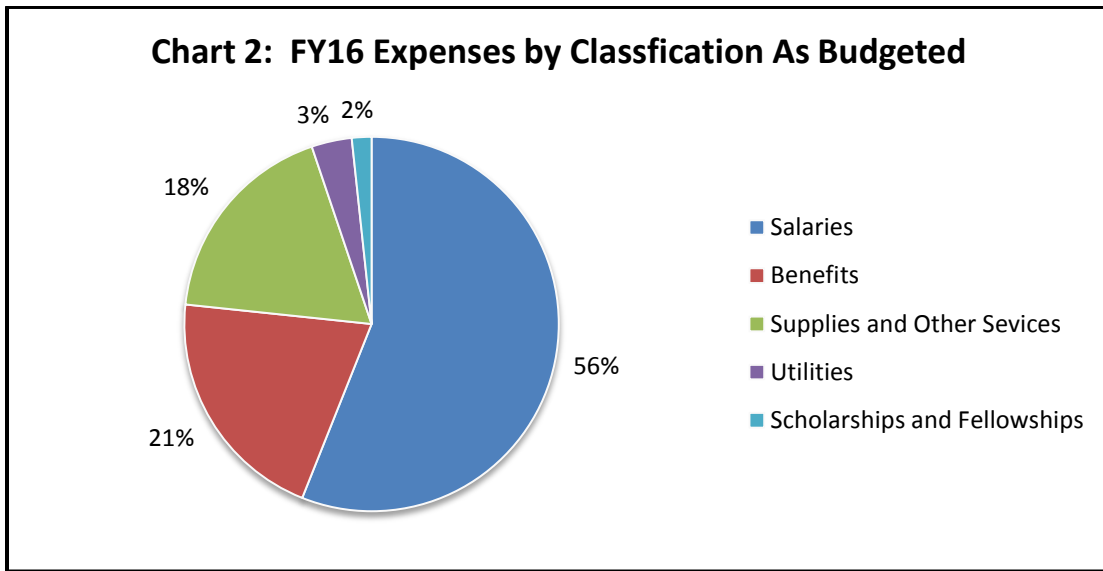
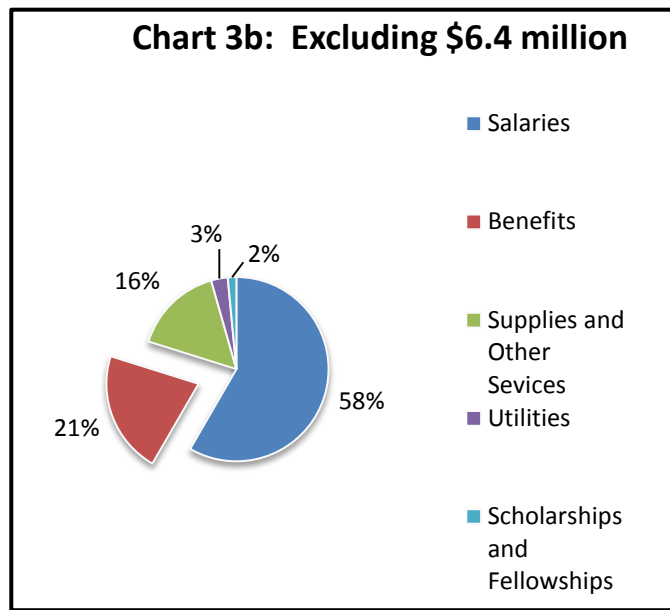
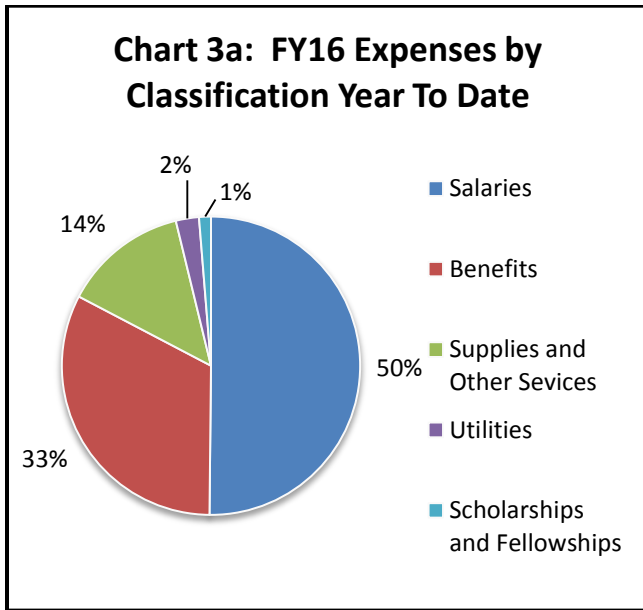


Chart 3 illustrates that as of November 2015, the expenditure by type year to date is consistent with the budget, with the exception of the \$6.4 million in retirement system payment reclassification as mentioned above which is part of the benefit expenses.



BREAKDOWN OF SALARIES EXPENSE

Salaries	Budget	Year To Date	% YTD to Budget
Staff	\$ 21,881,712	8,630,212	39.4%
Faculty	14,552,976	5,825,108	40.0%
Part time faculty	8,717,020	3,582,792	41.1%
Administrative	5,735,691	2,205,505	38.5%
Temporary staff	3,006,358	1,083,471	36.0%
Summer school	2,409,809	1,309,961	54.4%
Student work study	480,000	89,108	18.6%
Other faculty (substitute pay)	57,500	34,958	60.8%
Vacant Position Funding	2,217,862	-	
Total Salaries Exp	\$ 59,058,928	\$ 22,761,115	38.5%

BREAKDOWN OF BENEFITS EXPENSE

Benefits	Budget	Year To Date (YTD)	% YTD to Budget
Employee Benefits	\$ 18,659,215	7,129,446	38.2%
OPEB & Insurance Benefits, Retirees	2,170,476	914,644	42.1%
Employee Benefits - Fee Waiver	415,000	283,000	68.2%
Employee Tuition Reimbursement	215,000	38,413	17.9%
Compensated Absences	178,949	-	
Unemployment Compensation	82,796	11,972	14.5%
Employee Assist - Concern Care	15,000	4,739	31.6%
Pension Expense	-	6,372,878	
Total Salaries Exp	\$ 21,736,436	\$ 14,755,092	67.9%

* 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 Services	\$ 19,134,790	\$ 6,139,654	32.1%
Utilities Total	3,665,127	1,137,239	31.0%
Total	\$ 22,799,917	\$ 7,276,893	31.9%

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

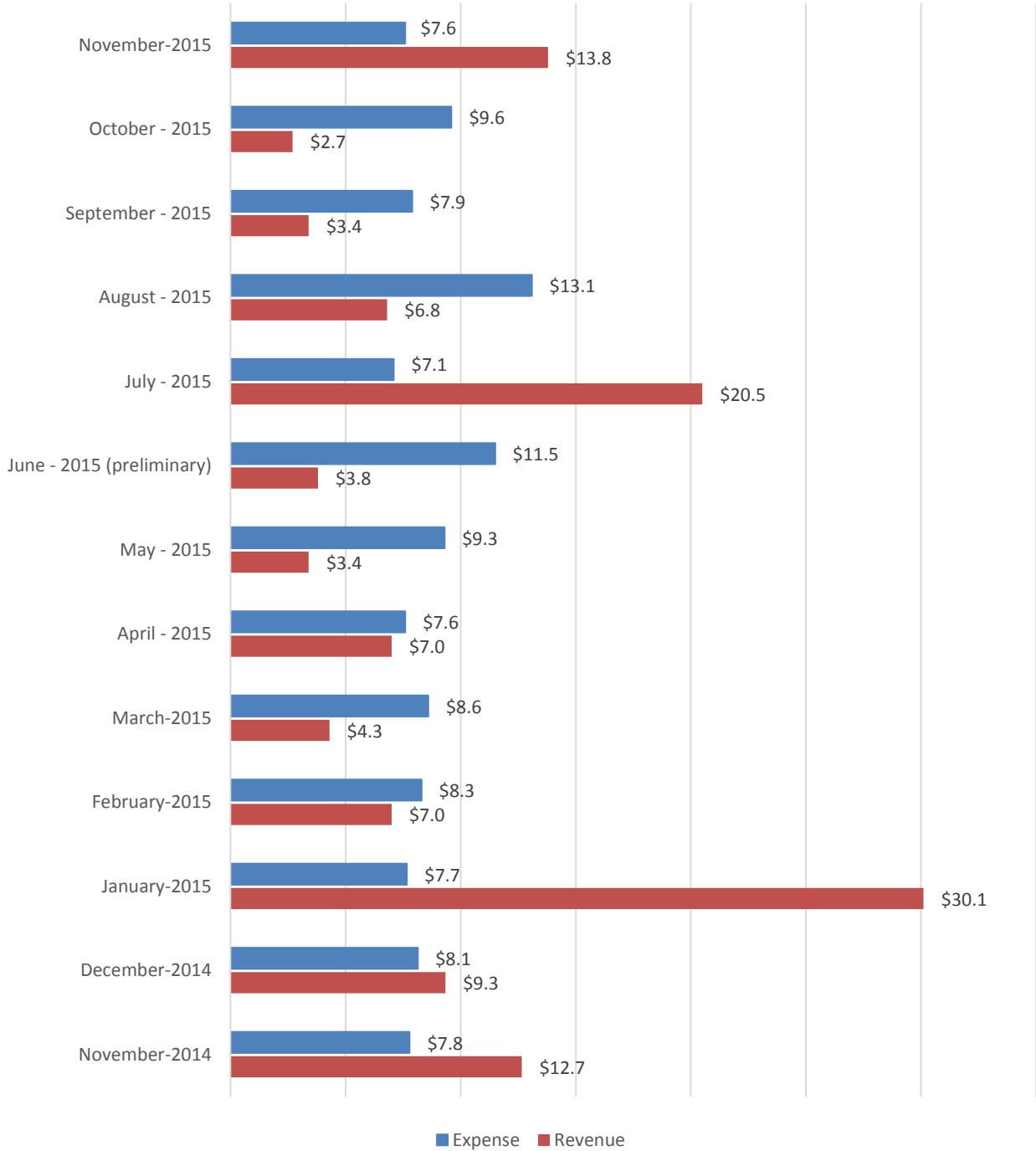
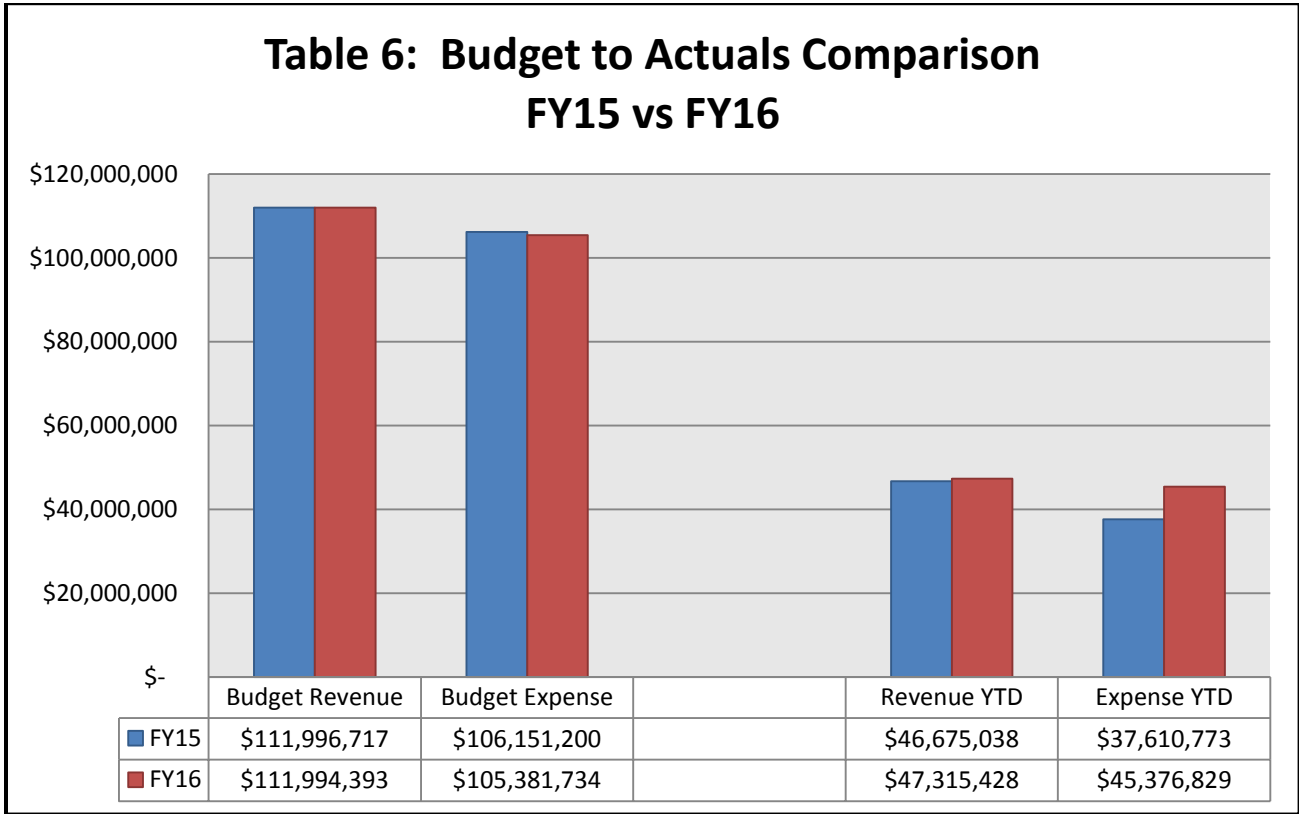


Table 6 summarizes the revenues and expenditures as budgeted and the year to date actual as of November 2015. The budget was adopted envisioning relatively flat revenue.



ADDITIONAL FUNDS MONTHLY FINANCIAL REPORT

For the Period Ending November 30, 2015

BUSINESS & CONTINUING ED/IWI FUND OVERVIEW

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

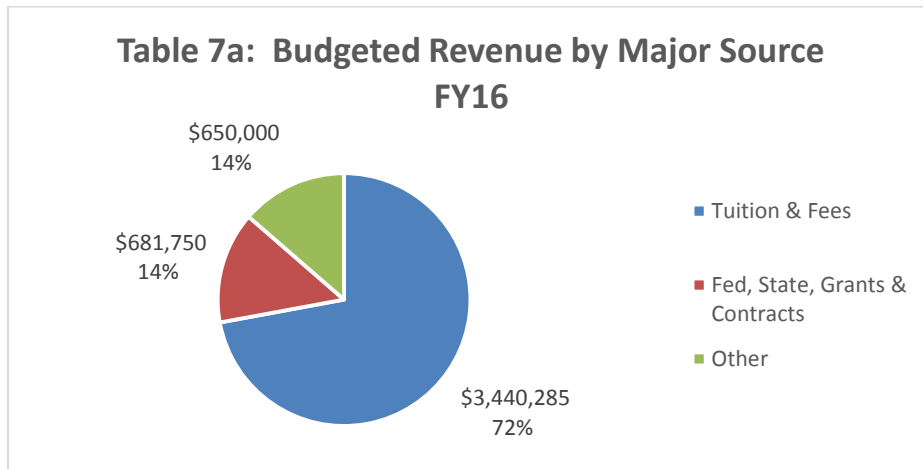


Table 7b demonstrates the revenue and expenses for the current fiscal year with comparisons to the budgeted amounts. Through November, revenue is \$1.5 million and expenses are \$1.3 million for a net income of approximately \$220,000. The budgeted year financial goal for the Business and Continuing Education fund is \$400,000 in net revenue, which is then contributed to the general fund to support the College at large.

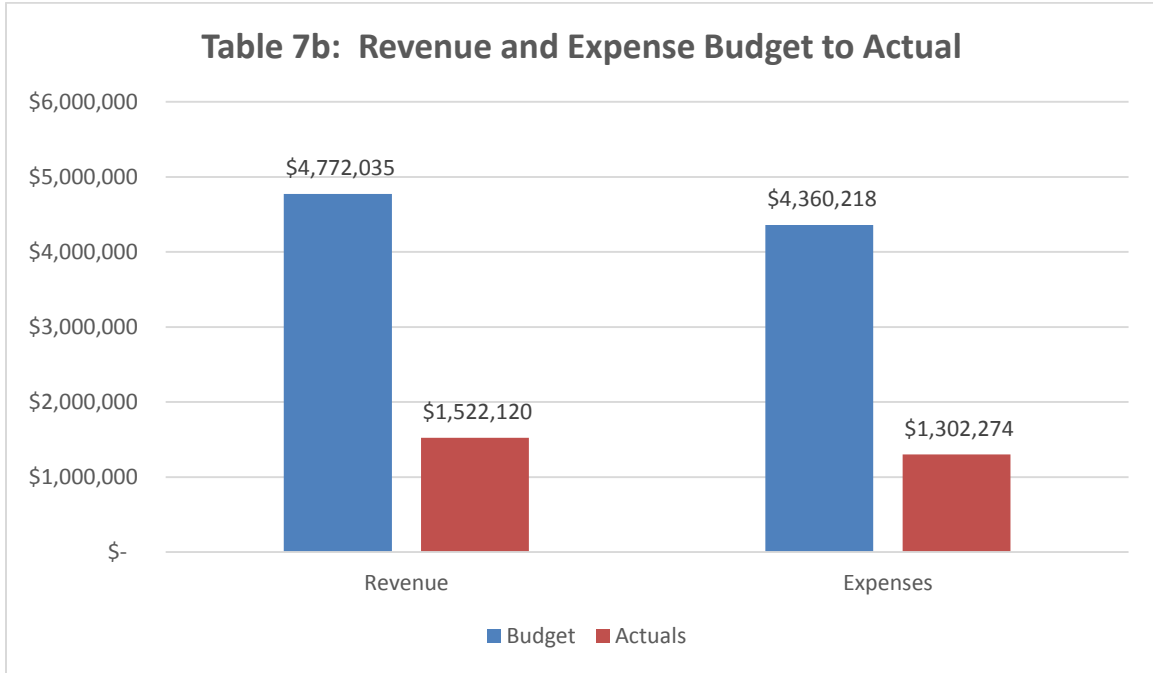
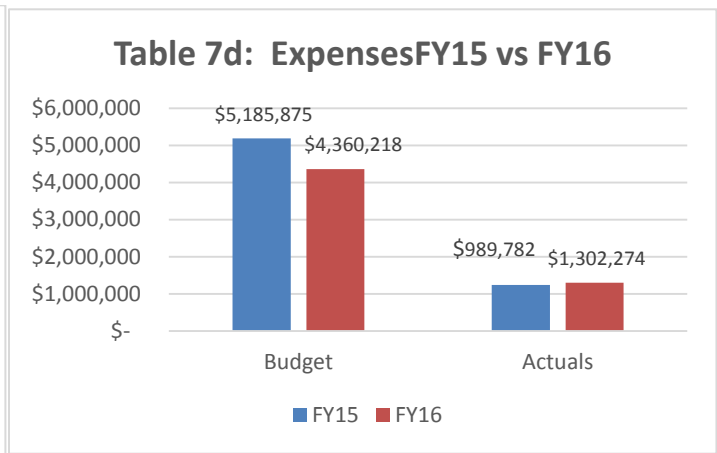
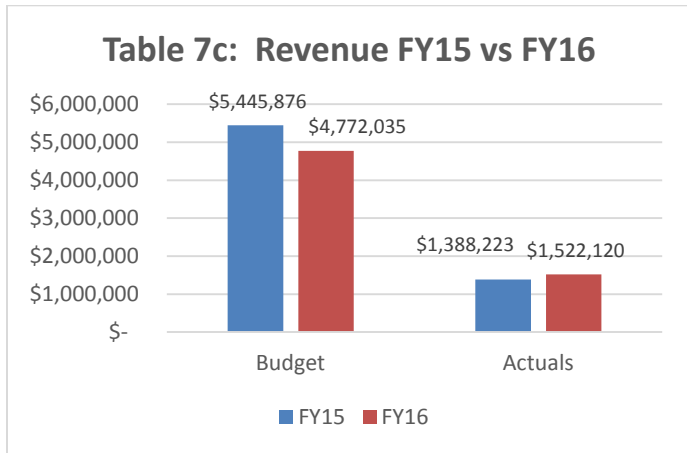


Table 7c and **Table 7d** display the budgeted and actual revenue and expenses for the current and prior fiscal years.



As would be expected, as revenue is increased or decreased, expenses are adjusted relatively. This is typically related to activities at the Institute of Workforce Innovation.

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 November, revenue is \$4.0 million and expenses are \$3.6 million for net revenue of \$400,000. 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 million in future years.

The Pioneer lease was also ended which will reduce revenue as well as expenses. There is 1 FTE and 2 PTE recorded in this budget which will be transferred to the general fund at the mid-year adjustment to reflect their reassignment.

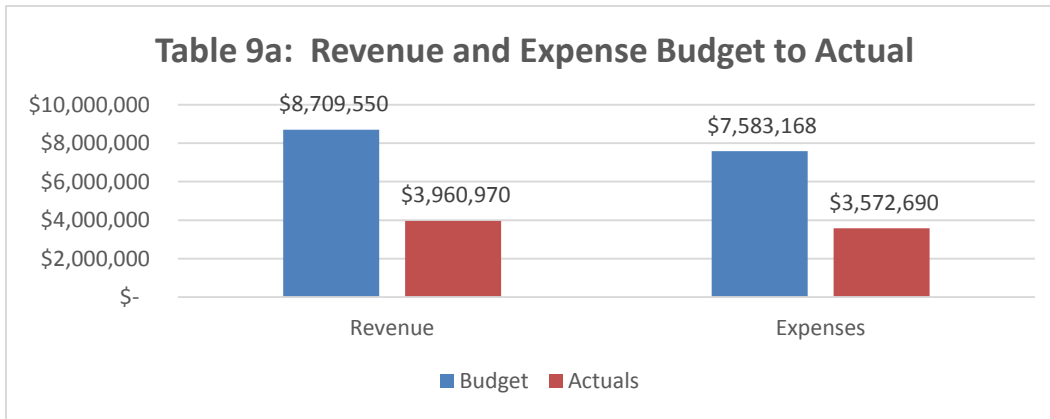
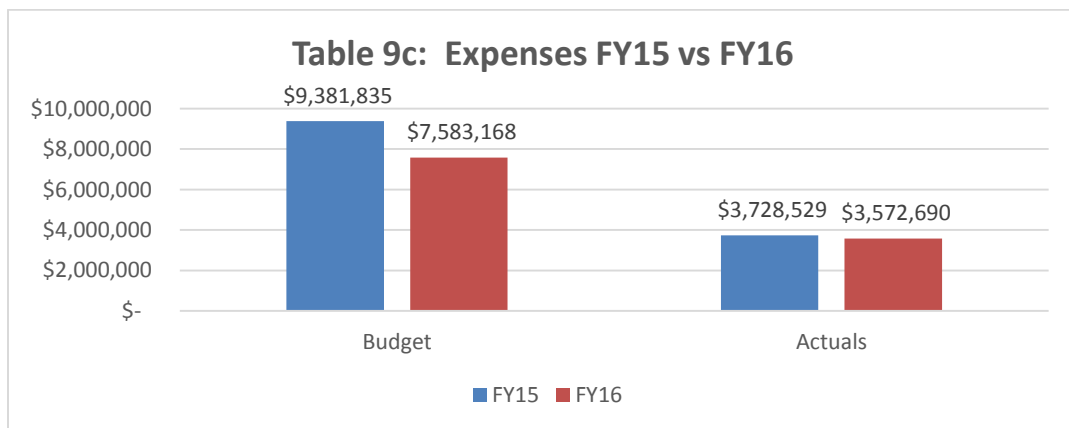
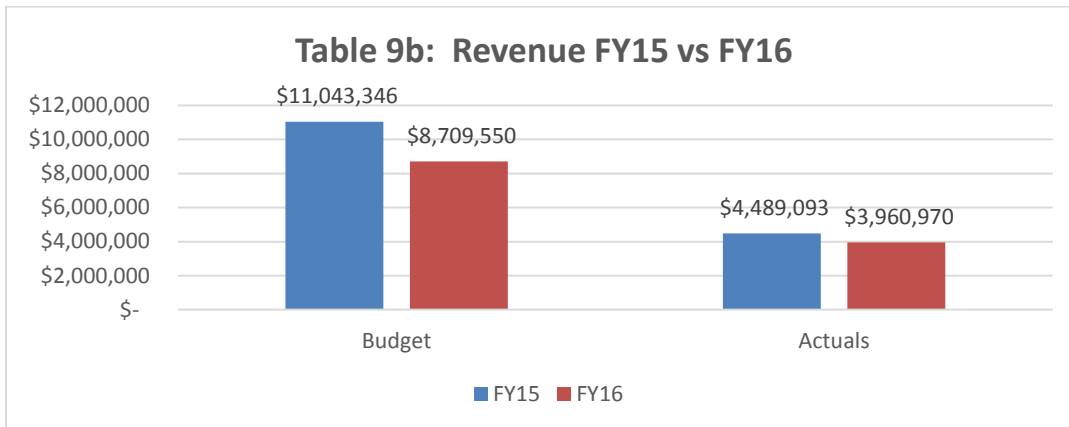


Table 9b and **Table 9c** display the budgeted and actual revenue and expenses for the current and prior fiscal years.



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 November, revenue is \$1.7 million and expenses are \$3.3 million for a net loss of \$1.6 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 sub grantees. The grants that are included in this fund are reimbursement

grants and therefore the expense exceeding the revenue is 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.

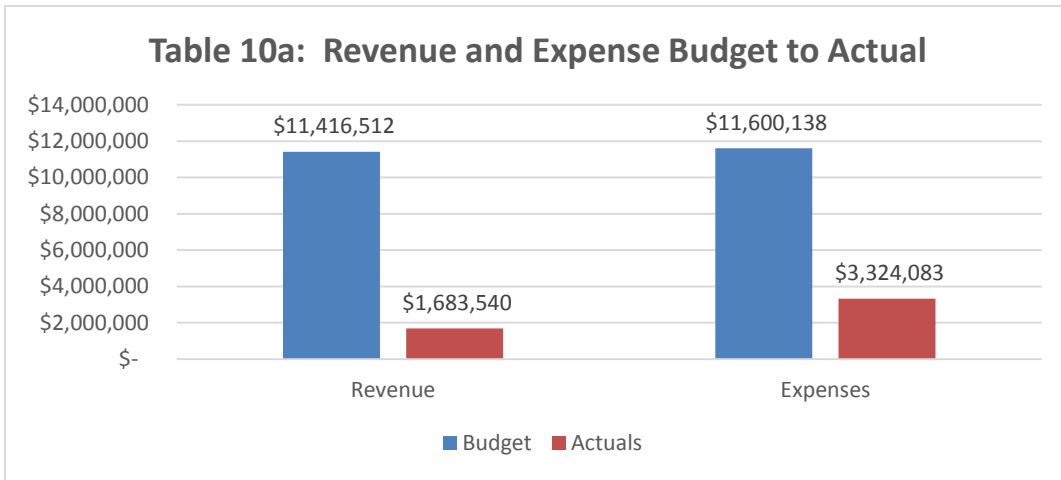


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