

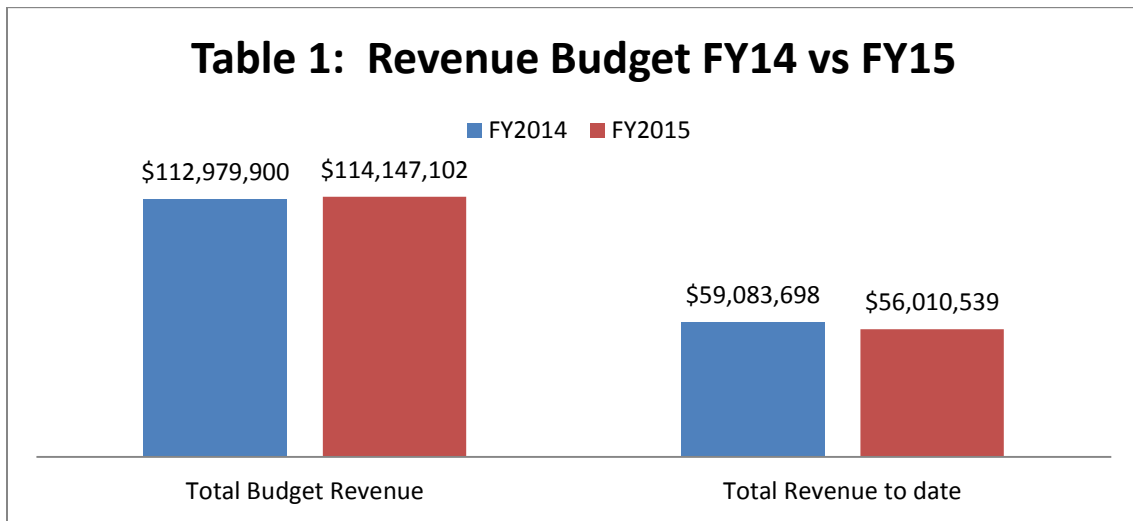
# OPERATING FUND MONTHLY FINANCIAL REPORT

## For the Period Ending December 31, 2014

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

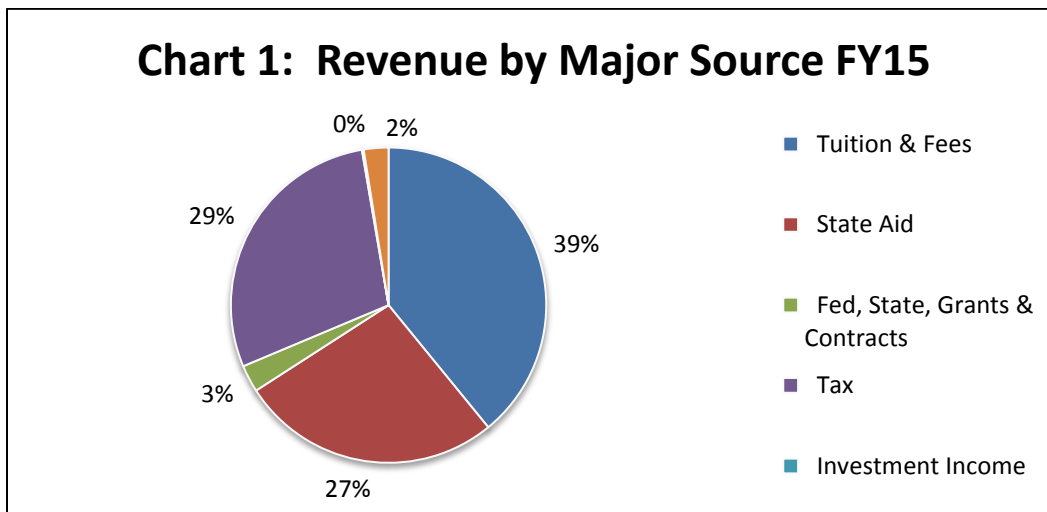
**Table 1** reflects revenues collected in the Operating Funds for the current fiscal year with comparisons for the same period a year ago. Through December, revenue collections were \$56.01 million which represents 49.1% of the revenue budget. During the same time period last year, MCC had collected \$59.08 million which was 52.7% of the revenue budget.

The primary area of decline is in student tuition and fees, which is down nearly \$2 million compared to the prior year and directly related to reduced enrollment. Another factor is income from grants and contracts which is based on timing of receipts.



### Revenue Analysis

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

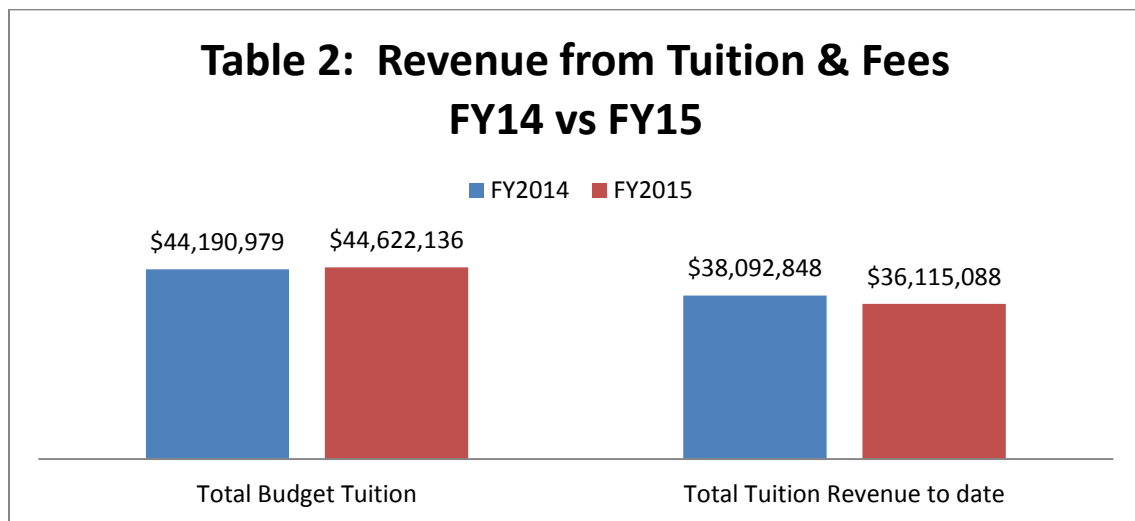


## REVENUE BY TYPE YEAR TO DATE

Revenue Type	Current Budget	Year To Date (YTD)	% YTD to Budget
Tuition & Fees	\$ 44,622,136	\$ 36,115,088	80.9%
State Aid	30,564,370	14,970,171	49.0%
Fed, State, Grants & Contracts	3,177,760	292,550	9.2%
Tax	32,660,167	2,234,565	6.8%
Investment Income	210,000	404,341	192.5%
Other	2,882,669	1,993,824	69.2%
<b>Total Revenue</b>	<b>\$ 114,117,102</b>	<b>\$ 56,010,539</b>	<b>49.1%</b>

**Table 2** reflects that the budget anticipated an approximate 3% decline in enrollment for core credit hours. This was primarily offset by increases in tuition & fees. Tuition & fees were increased \$3 per credit hour, as follows:

- In-District: \$95 - 3.26% increase
- Out-of-district: \$175 - 1.92% increase
- Out-of-state: \$229 - 1.33% increase



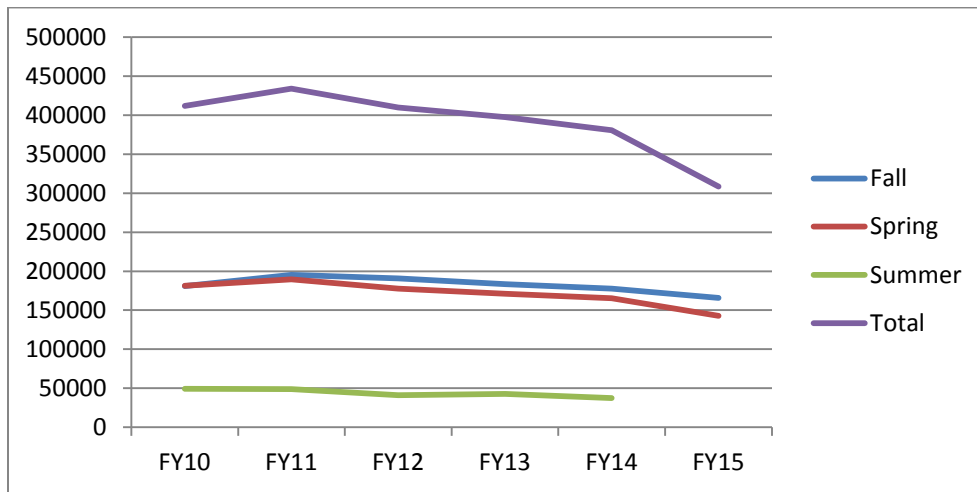
### **ENROLLMENT TRENDS**

Enrollment has been trending downward for the last five years. In terms of relative decline, there are similar trends for fall, spring, and summer semesters.

Total credit hours for FY15 were estimated at approximately 395,000 credit hours for the fiscal year. Revenue from tuition and fees represents 39% of the total anticipated revenue for the budget.

Core credit hour enrollment for Fall 2014 was down 3.74% from budget or 6.74% from prior year actual. Spring 2015 enrollment is currently 7% down from budget or nearly 10% from prior year actual as of December 2014. Final figures for the Spring will be determined on state aid day which is in early February.

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



**BREAKDOWN OF TUITION & FEES REVENUE**

Tuition & Fees	Current Budget	Year To Date	% YTD to Budget
Tuition	\$ 39,187,133	\$ 32,018,215	81.71%
Program Lab Fee	3,154,072	2,178,453	69.07%
Technology Fee	1,108,892	887,006	79.99%
Clinical Fee	650,000	599,950	92.30%
Student Activity Fee	462,039	369,589	79.99%
Contracted Instruction	60,000	66,125	110.21%
Penalty Charge - Returned Checks	-	3,453	
Refund District Resident Fee	-	(7,702)	
<b>Total Tuition &amp; Fees</b>	<b>\$ 44,622,136</b>	<b>\$ 36,115,088</b>	<b>80.94%</b>

**State aid** remains on target as budgeted. The breakdown includes \$28.2 million in core funding, \$1.19 million in performance measure funding, and \$1.175 million in state repair & maintenance matching funds.

State Aid	Current Budget	Year To Date	% YTD to Budget
State Aid	30,564,370	14,970,171	48.98%

**Grants and contracts** are lagging last year slightly, which is due to timing of receipts.

Fed, State, Grants & Contracts	Current Budget	Year To Date	% YTD to Budget
Missouri Vocational Revenue	\$ 1,655,936	\$ 152,880	9.23%
Department of Ed	400,000	105,142	26.29%
Overhead Revenue	254,425	28,104	11.05%
Perkins	861,699	-	0.00%
State of Missouri - Other	\$ 5,700	\$ 6,424	112.70%
<b>Total Fed, State, Grant &amp; Contract</b>	<b>\$ 3,177,760</b>	<b>\$ 292,550</b>	<b>9.21%</b>

**Tax revenues** primarily include property tax receipts from four area counties. Assessed values have increased overall but collections are down slightly from the prior year as of December. Tax collection rates have remained steady over the past five years and the primary collection months are in December through March. Tax revenues are anticipated to be on budget.

Taxes	Current Budget	Year To Date	% YTD to Budget
Jackson County	\$ 22,550,576	\$ 1,281,718	5.68%
Clay County	5,380,000	382,066	7.10%
Platte County	3,816,091	350,280	9.18%
Cass County	913,500	220,502	24.14%
Total Taxes	\$ 32,660,167	\$ 2,234,565	6.84%

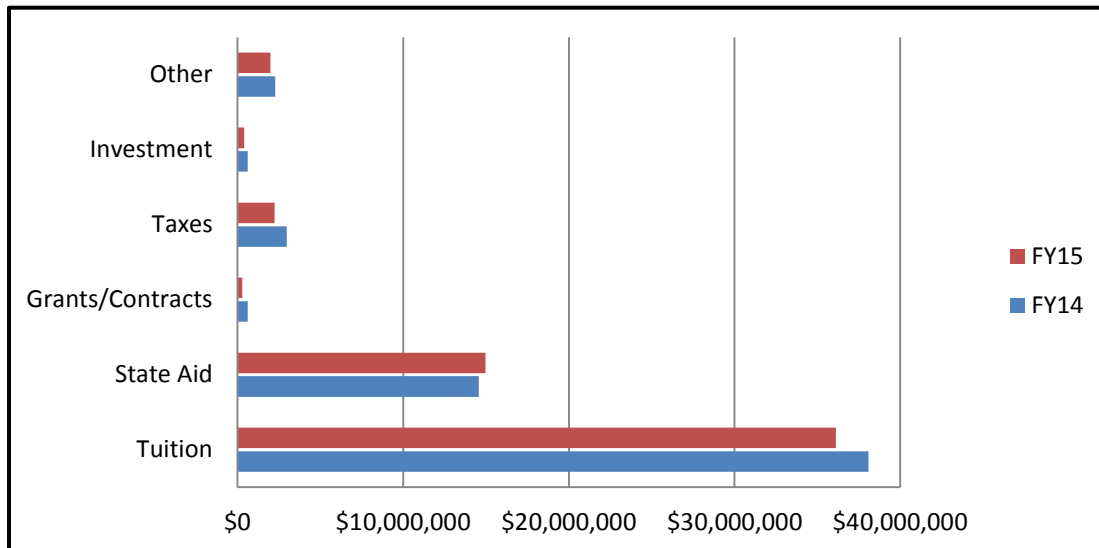
**Investment income** has exceeded the budget estimate as of December 2014. The year-end balance for FY15 will be adjusted to market value for purposes of auditing and calculating net position (assets vs liabilities). This is tracked monthly on the investment report as well.

Investment Income	Current Budget	Year To Date	% YTD to Budget
Investment Earnings	210,000	233,085	110.99%
Unrealized Gains/Losses	\$ -	171,256	-
Total State Aid	\$ 210,000	\$ 404,341	192.5%

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

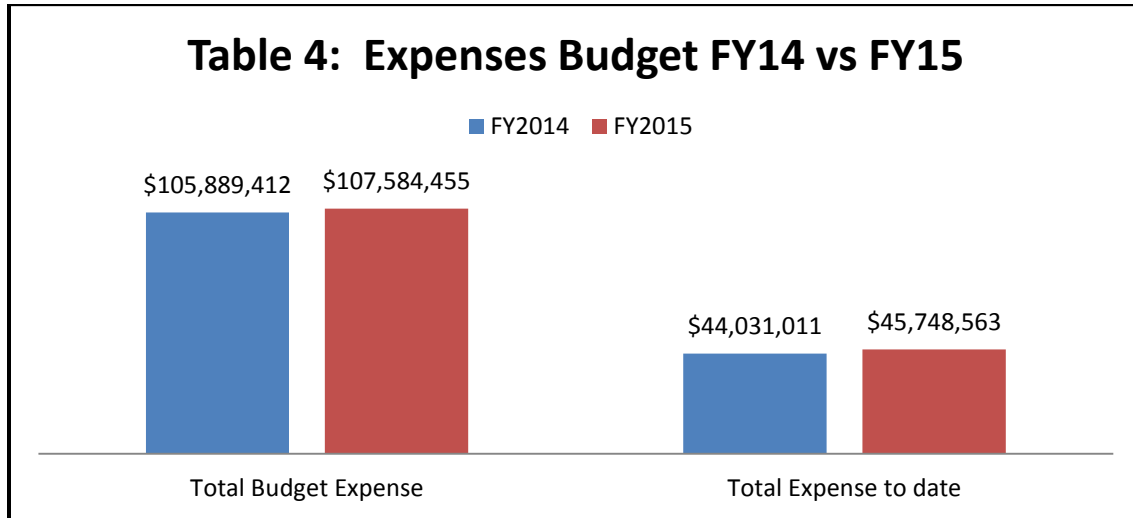
Other Revenue	Current Budget	Year To Date	% YTD to Budget
Other Student Fees & Activity	\$ 1,677,400	\$ 1,239,806	73.91%
Application Fee	\$ 450,000	\$ 323,453	71.88%
Miscellaneous Income	\$ 478,677	\$ 235,681	49.24%
Non-Federal/State Grant Revenue	\$ 70,140	\$ 97,739	139.35%
Rental	\$ 111,452	\$ 59,599	53.48%
Late Fee	\$ 45,000	\$ 23,670	52.60%
Sports Lessons	\$ 38,000	\$ 9,205	24.22%
Pay Plan Fee	\$ 12,000	\$ 4,672	38.93%
Total Other Income	\$ 2,882,669	\$ 1,993,825	69.17%

**TABLE 3: TOTAL REVENUES YEAR TO DATE ACTUAL FY15 VS FY14**



## Expense Analysis

**Table 4** shows the level of expenditures and encumbrances incurred against the Operating Funds appropriations for the current and prior fiscal years. The FY15 budget appropriated \$107,584,455 in operating expenses compared to \$105,889,412 the prior fiscal year. Through December, expenses were \$45,748,563 or 42.5% of the total budget; whereas the prior year as of December, expenses were \$44,031,011 or 45.1% of the total budget.



### BUDGET TO ACTUAL EXPENSES YEAR TO DATE

Category	Current Budget	Year To Date	% YTD to Budget
Salaries	\$ 60,583,851	\$ 26,126,018	43.12%
Benefits	\$ 20,860,478	\$ 10,003,337	47.95%
Supplies and Other Sevcies	\$ 21,101,609	\$ 7,532,517	35.70%
Utilities	\$ 3,434,134	\$ 1,286,782	37.47%
Scholarships and Fellowships	\$ 1,574,383	\$ 799,910	50.81%
Total Operating Expenses	\$ 107,554,455	\$ 45,748,564	42.54%

As a clarification, the Year to Date Utilities amount is understated by \$178,689 which will be posted in January.

### Natural Classification of Expenses (GASB Format)

The Governmental Accounting Standard Board (GASB) is the 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 75% of the total budgeted expenses.

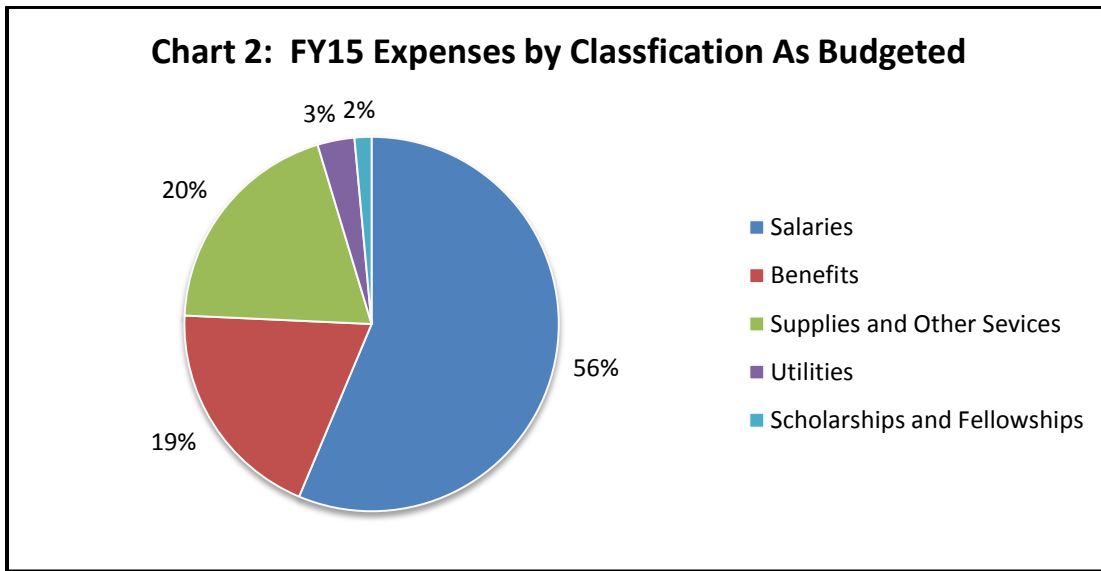
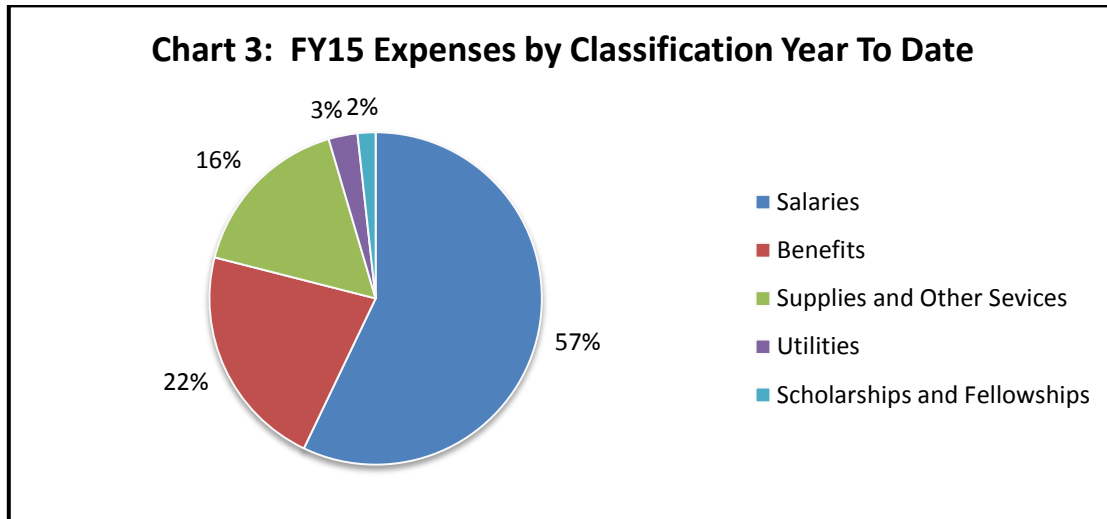


Chart 3 illustrates that as of December 2014, the expenditure by type year to date is substantially consistent with the budget.



As of December 2014, both the salary and benefits are under budget, at 43% of the total budgeted.

**BREAKDOWN OF SALARIES EXPENSE**

Salaries	Current Budget	Year To Date	% YTD to Budget
Staff	\$ 21,846,510	\$ 10,431,312	47.75%
Summer school	2,837,170	1,191,908	42.01%
Faculty	13,956,826	6,062,534	43.44%
Administrative	4,866,441	2,388,671	49.08%
Temporary staff	3,421,445	1,352,376	39.53%
Part time faculty	9,536,187	4,548,704	47.70%
Student work study	400,000	105,093	26.27%
Other faculty (substitute pay)	75,000	45,421	60.56%
Vacant Position Funding	3,644,272	-	
<b>Total Salaries Exp</b>	<b>\$ 60,583,851</b>	<b>\$ 26,126,018</b>	<b>43.12%</b>

**BREAKDOWN OF BENEFITS EXPENSE**

<b>Benefits</b>	<b>Current Budget</b>	<b>Year To Date (YTD)</b>	<b>% YTD to Budget</b>
Employee Benefits	\$ 17,291,078	\$ 8,356,793	48.33%
OPEB & Insurance Benefits, Retirees	2,651,200	1,215,761	45.86%
Employee Benefits - Fee Waiver	415,000	306,463	73.85%
Compensated Absences	173,400	-	
Employee Tuition Reimbursement	164,800	91,740	55.67%
Unemployment Compensation	145,000	26,627	18.36%
Employee Assist - Concern Care	20,000	5,954	29.77%
<b>Total Salaries Exp</b>	<b>\$ 20,860,478</b>	<b>\$ 10,003,337</b>	<b>47.95%</b>

Supplies and other services as well as utilities are well under budget as of December 2014.

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

<b>Supplies / Other</b>	<b>Current Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Other Expense Total	21,101,609	7,532,517	35.70%
Utilities Total	3,434,134	1,286,782	37.47%
<b>Total</b>	<b>\$ 24,535,743</b>	<b>\$ 8,819,299</b>	<b>35.94%</b>

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

**Natural to Functional Expense Matrix**

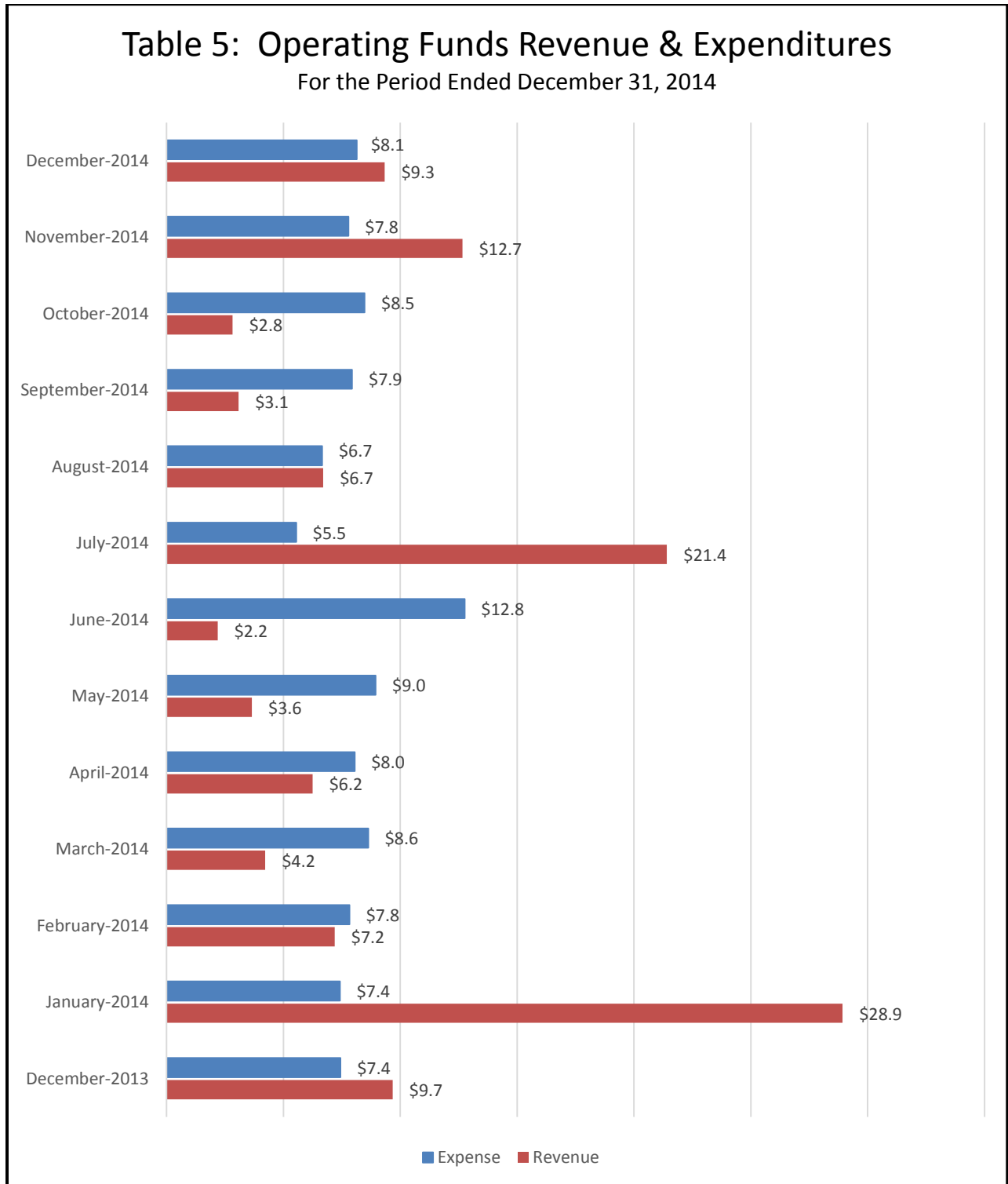
An alternative method to analyze expenses is to breakdown the nature of the expense (salaries, fringe benefits, utilities, etc.) as it relates to the functional purpose of the expense (Instructional Support, Academic Support, Institutional Support, etc.). This data is useful in aligning expenses with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

**FY15 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	\$ 13,024,827	\$ 3,496,725	\$ 1,393,622	\$ 819		\$ 17,915,992
	Academic support	3,065,894	1,054,795	978,993	66,475		\$ 5,166,157
	Student services	4,083,506	1,484,696	617,162			\$ 6,185,364
	Plant operation and maintenance	1,415,313	593,598	1,435,810	1,028,411		\$ 4,473,132
	Institutional support	4,444,941	3,339,735	3,100,115	190,567		\$ 11,075,359
	Public service	91,538	33,787	6,815	510		\$ 132,650
	Scholarships and fellowships					799,910	\$ 799,910
	<b>Total Expenses by Natural Classification</b>	<b>\$ 26,126,018</b>	<b>\$ 10,003,337</b>	<b>\$ 7,532,517</b>	<b>\$ 1,286,782</b>	<b>\$ 799,910</b>	<b>\$ 45,748,564</b>

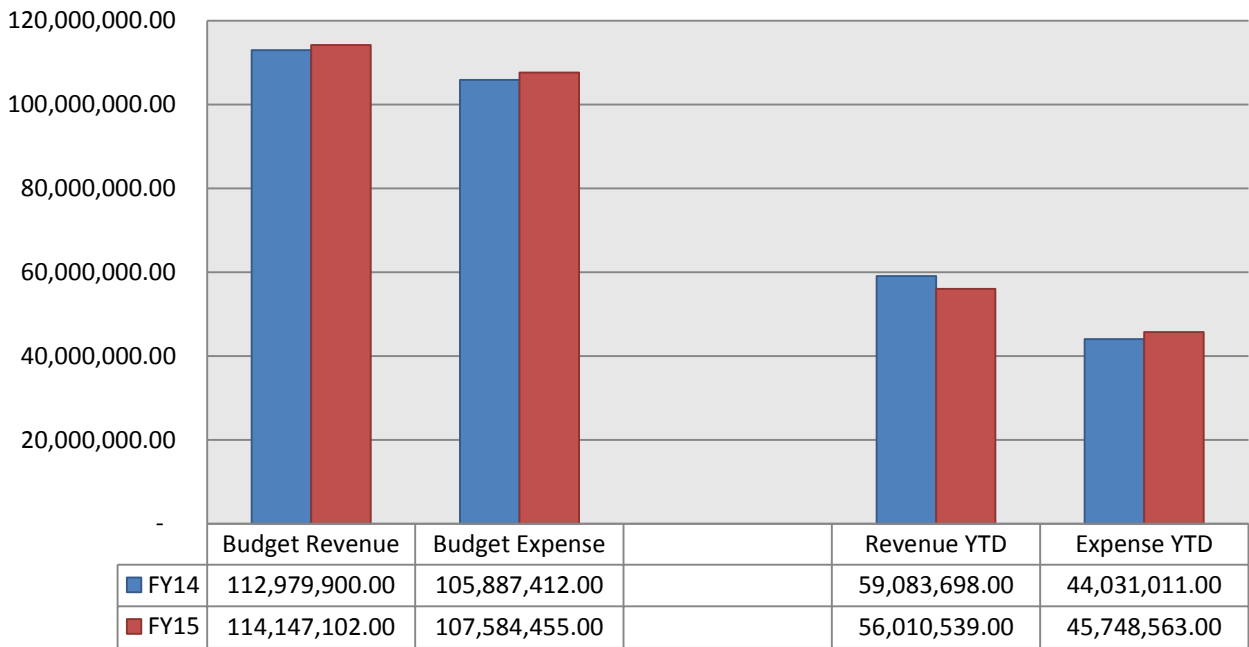
**SUMMARY**

**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 a decline in the summer months.





**Table 6: Budget to Actuals Comparison  
FY14 vs FY15**



**Table 6** summarizes the revenues and expenditures as budgeted and the year to date actual as of December 2014. The budget was adopted envisioning growth in revenue primarily due to growth in the student tuition and fees based on the fee increases and increases in tax collections. Because credit hour enrollment has declined more than anticipated, revenues are behind anticipated budget. At the same time, while expenditures are at a lower percentage than the prior year at this time, they are not fully offsetting the decline in revenue.

Various strategies are being analyzed to ensure the current year will be balanced at year end, as well as the financial assumptions to be used to prepare the FY16 budget. This information will be presented to the Board at the March work session.

**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>
Contracted Service	\$ 4,189,221	\$ 2,346,495	56.01%
Maintenance Agreement IT	1,404,339	757,312	53.93%
Contracted Service Construction	388,320	584,034	150.40%
Supplies - Instr/Classroom/Lab	764,670	306,761	40.12%
Software expense (, 50,000)	415,258	301,443	72.59%
Advertising	593,210	282,644	47.65%
Legal Expense	563,547	214,827	38.12%
Operational Expense	798,884	205,089	25.67%
Supplies Construction / Repair	152,400	204,055	133.89%
Contracted Instruction	854,000	201,776	23.63%
Property Insurance	300,000	195,246	65.08%
Travel & Conventions	551,208	189,744	34.42%
Dues & Memberships	263,285	168,285	63.92%
Maintenance Agreement Plant	296,000	149,716	50.58%
Equipment under \$5,000 non cap	516,573	147,917	28.63%
Bank Charge	312,100	135,176	43.31%
Subscription	246,716	100,036	40.55%
Supplies Office	214,411	92,110	42.96%
Construction Serv-Rent of Equip	415,578	73,675	17.73%
Postage	223,375	72,119	32.29%
Liability & Fidelity Bond	450,000	70,514	15.67%
Test / Evaluation Materials	84,092	59,942	71.28%
Supplies - Grounds	166,500	54,178	32.54%
Registration Fees	98,391	52,370	53.23%
Printing / Copy	177,937	48,013	26.98%
Supplies - Custodial	120,150	46,553	38.75%
Mileage	121,570	42,769	35.18%
Supplies - Paper	89,511	38,518	43.03%
Food / Meals	91,650	37,359	40.76%
Accounting & Auditing	47,100	32,950	69.96%
Auto Expense	77,000	28,481	36.99%
A/E Fees	60,000	26,139	43.57%
Staff Development District Wide	93,174	25,087	26.92%
Library Books Renewal	52,218	23,797	45.57%
Accreditation	53,540	20,695	38.65%
Employee Recruitment	22,500	19,630	87.24%
OTHER EXPENSE TOTAL	345,582	171,604	49.66%
Bad Debt Expense / A/R	1,250,000	5,457	0.44%
Contingency (M/R, Perkins) <sup>1</sup>	4,237,599	-	
<b>Other Expense Total</b>	<b>\$ 21,101,609</b>	<b>\$ 7,532,517</b>	<b>35.70%</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. This line item also includes the Perkins funding in the amount of \$1,050,796, which is also then transferred based on actual expenditures. The final amounts are actual contingency funds for unanticipated expenses.

**APPENDIX B**

**DETAIL EXPENSES OF UTILITY EXPENSES**

<b>Utilities</b>	<b>Current Budget</b>	<b>Year To Date</b>	<b>% YTD to Budget</b>
Water and Sewer	\$ 370,800	\$ 103,587	27.9%
Electricity	2,301,000	995,404	43.3%
Telephone	550,584	160,272	29.1%
Gas	211,750	27,519	13.0%
<b>Total Utilities Exp</b>	<b>\$ 3,434,134</b>	<b>\$ 1,286,782</b>	<b>37.5%</b>