

**ORANGE COUNTY COMMUNITY COLLEGE**  
Middletown, New York 10940

**Office of the Vice President for Administration & Finance**  
**January 18, 2023**

To: Members of the Board of Trustees

From: Paul Martland, Vice President of Administration and Finance

**FISCAL REPORT: September 1, 2022 – December 31, 2022**

The report of revenue and expenditures for the period September 1, 2022 to December 31, 2022 is attached. This report compares the projected 2022-2023 fiscal year to the budget which reflects expected levels of State support and enrollment. The format of this report compares month activity to budget, current year to date activity to budget year to date, and projection to budget.

***Year-to-Date Revenue Highlights***

Total year-to-date revenues for the four-month period ending December 31, 2022, are 1.5% or \$392k lower than the budget expectations. The items that contributed to these variances are:

1. Enrollment declines of 2.7% for Fall are the major contributing factors to the shortfall that impacts tuition, fees, and chargeback revenues.
2. Spring enrollment is \$141k better than budget. As of the January 3rd Enrollment Report, Spring enrollment has improved by .73% compared to last Spring.
3. Budgeting error was identified in completing the November Board Report. Community College in the High School's budgeted revenue was to be reduced by 1/6, but it was reduced in error by 5/6 creating a year to date budget savings of \$314k.
4. Non-Credit Courses which are offered by the college's Continuing and Professional Development Education department also known as CAPE has a decline of 59.4% or \$145k.

***Year-to-Date Expenditures Highlights***

Total expenditures for the four-month period ending December 31, 2022, are 0.7% or \$130k greater than the budget. Each of the three major expense categories contributed to this variance. Personnel Services expenses are \$164k less than budget due to the savings of vacant positions. Employee benefit expenses are \$185k lower than budget largely due to healthcare savings related to vacant positions. Contract Services are greater than budget by \$435k primarily due to increase in utility, facility maintenance and consulting costs. Equipment is \$44k greater than budget.

**Full Year Projections**

Full year projections are calculated using the actual results year-to-date, the monthly projections for the remainder of the year, and any new information that becomes known about particular line items. After four-month period of FY23, we project a positive bottom line of \$91,128.

Revenue projections are .5%, or \$309k less than the budget projections. Most of the variances are attributable to the following items:

1. Enrollment decline of 2.7% for the Fall. As of the January 3rd Enrollment Report, Spring enrollment has improved by .73% compared to last Spring.
2. Community College in the High School's (CCHS) budgeted revenue error was identified. The budget was to reduce CCHS revenue by 1/6, but accidentally reduced it by 5/6 creating a future budget savings of \$260k.
3. Increase interest income due the college's \$8 million investment in treasuries. This projection is not including anticipated future treasury investments of \$242k.

Expense projections are .6%, or \$400k less than the budget projections. Below are the large variances that were identified by category:

Personnel Services and Employee Benefits:

1. Most of the variances are attributable to the net reductions in personnel costs due to non-budgeted retirements, and savings due to the timing of filling open positions.
2. The County's 2023 calendar year Healthcare increases for active employees increased on average 14% while retirees increased on average by 17.7%. October's months projections estimated a 11% increase for active employees only which helped mitigate this large increase. Projection also includes an estimate of \$190k of additional cost for vacant positions that will be filled in the near future, and a \$270k correction of an over reduction done in November's Projections.

Contract Services:

1. Materials and supplies savings of \$100k.
2. Increase utility costs of \$311k due to the anticipation of the new annual rate increasing by .03 kwh.
3. Utilization of Choice Words for the first 6 months of the fiscal year to assist in writing grants while the Grant Director position is vacant.
4. Hiring Campus Works at an estimated \$132k to assist in reviewing and enhancing the Financial Aid Departments workflow.
5. Supplement the Financial Aid Department team by using Financial Aid Consultants at an estimated \$188k.
6. Estimated additional Bad Debt expense of \$125k.
7. Increase Operations and Maintenance of buildings cost by \$100k due to inflationary pressures.
8. Reducing HEERF expenditures by \$1.3 million to cover the projected tuition and fees shortfalls.

*FUND BALANCE*

SUNY's general guideline for each community college, regardless of size, is to "work to establish unrestricted net assets ranging from 5% to 15% of its operating expenses." The current projection indicates that the operating fund balance plus restricted fund balance will result in a level of 15.4% of operating expenses.

It should be noted that the College's estimated operating fund balance of \$6,869,422 is different from what our Sponsor Orange County report. The County fund balance calculation includes the college's restricted fund balance and adds back sick and vacation accruals that were recorded in the college's unrestricted fund. The County's methodology of adding back sick and vacation accruals produces a higher unrestricted fund balance than that reported by the College in our audited financial statements.

ORANGE COUNTY COMMUNITY COLLEGE

AY22-23 Projected Year-End

	A	B	C	D	E	F	G	H	I	J	K	L
	Actual Month vs Budget Month				YTD Actual vs. YTD Budget				Projected vs. Budget			
	12/31/2022	12/31/2022	\$ Variance	% Variance	YTD Actual	YTD Budget	\$ Variance	% Variance	AY22-23 *Revised Projection	AY22-23 Original Budget	\$ Variance	% Variance
	Actual Month	Budget Month	Fav/(Unfav)	Fav/(Unfav)	as of 12/31/22	as of 12/31/22	Fav/(Unfav)	Fav/(Unfav)			Fav/(Unfav)	Fav/(Unfav)
			(A-B)	(C/B)			(E-F)	(G/F)			(I-J)	(K/L)
1 Revenue												
2 Fall	\$ (16,397)	\$ (230,400)	\$ 214,003	-92.9%	9,267,796	\$ 9,249,452	\$ 18,344	0.2%	\$ 9,089,434	\$ 9,071,090	18,344	0.2%
3 Winter	14,322	16,281	(1,959)	-12.0%	100,254	99,681	573	0.6%	96,554	95,981	573	0.6%
4 Spring	1,872,802	1,412,700	460,102	32.6%	5,661,185	5,520,113	141,072	2.6%	7,557,268	7,416,196	141,072	1.9%
5 Summer	77,000	73,500	3,500	4.8%	187,313	202,000	(14,687)	-7.3%	1,502,135	1,366,822	135,313	9.9%
6 Tuition-Credit	1,947,727	1,272,081	675,646	53.1%	15,216,548	15,071,246	145,302	1.0%	18,245,391	17,950,089	295,302	1.6%
7 Tuition-Non-Credit	1,430	1,300	130	10.0%	6,920	8,271	(1,351)	-16.3%	23,811	25,162	(1,351)	-5.4%
8 Total Tuition	1,949,157	1,273,381	675,776	53.1%	15,223,468	15,079,517	143,951	1.0%	18,269,202	17,975,251	293,951	1.6%
9 State Aid	-	-	-	#DIV/0!	2,952,102	2,952,102	-	0.0%	11,808,407	11,808,407	-	0.0%
9a State Aid-Non Credit Courses	-	-	-	#DIV/0!	229,548	229,548	-	0.0%	918,193	918,193	-	0.0%
10 County Aid	-	-	-	0.0%	-	-	-	0.0%	19,624,469	19,624,469	-	0.0%
11 Chargebacks	13,394	-	13,394	#DIV/0!	1,206,184	1,468,141	(261,958)	-17.8%	2,434,097	2,896,055	(461,958)	-16.0%
12 Service Fees	268,346	260,813	7,533	2.9%	2,163,475	2,306,987	(143,512)	-6.2%	2,649,898	2,803,410	(153,512)	-5.5%
13 Non Credit Courses	14,226	22,507	(8,281)	-36.8%	99,360	244,849	(145,489)	-59.4%	354,512	500,001	(145,489)	-29.1%
14 ARP Funding	-	-	-	#DIV/0!	3,605,450	3,605,450	-	0.0%	6,192,634	6,192,634	-	0.0%
15 Other	31,846	37,448	(5,602)	-15.0%	156,421	141,041	15,380	10.9%	616,424	458,044	158,380	34.6%
16 Sub-Total	327,813	320,768	7,044	2.2%	10,412,540	10,948,118	(535,578)	-4.9%	44,598,635	45,201,213	(602,578)	-1.3%
17 Total Revenues	2,276,969	1,594,149	682,820	42.8%	25,636,007	26,027,635	(391,627)	-1.5%	62,867,837	63,176,464	(308,627)	-0.5%
18 Expenditures			(F-E)	(G/F)			(F-E)	(G/F)			(J-I)	(K/L)
19 Total Personnel Services	2,711,484	2,708,613	(2,871)	-0.1%	10,730,965	10,894,877	163,913	1.5%	32,771,663	33,573,994	802,331	2.4%
20 Total Employee Benefits	1,319,970	1,405,506	85,537	6.1%	5,581,416	5,766,465	185,049	3.2%	18,749,087	18,337,172	(411,915)	-2.2%
21 Total Contract Services	442,654	497,864	55,210	11.1%	3,025,687	2,590,886	(434,801)	-16.8%	11,199,642	11,253,398	53,756	0.5%
22 Equipment	-	974	974	0.0%	49,289	4,872	(44,417)	0.0%	56,317	11,900	(44,417)	-373.2%
23 Total Expenditures	4,474,108	4,612,958	138,850	3.0%	19,387,356	19,257,101	(130,255)	-0.7%	62,776,709	63,176,464	399,755	0.6%
24 Rev over/(under) Exp	\$ (2,197,139)	\$ (3,018,809)	\$ 821,670		\$ 6,248,651	\$ 6,770,534	\$ (521,883)		\$ 91,128	\$ 0	\$ 91,127	

Does not reflect treasury income on purchases yet to be made of approximately \$242k.

Est Operating Fund balance as of 8/31/22                      10.80% of Operating Expense                      Operating Fund      6,778,294  
 Proj. Operating fund balance as of 8/31/23                      10.94% of Operating Expense                      \$ 6,869,422