

ORANGE COUNTY COMMUNITY COLLEGE
Middletown, New York 10940

Office of the Vice President for Administration & Finance
December 14, 2022

To: Members of the Board of Trustees

From: Paul Martland, Vice President of Administration and Finance

FISCAL REPORT: September 1, 2022 – November 30, 2022

The report of revenue and expenditures for the period September 1, 2022 to November 30, 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 three-month period ending November 30, 2022, are 4.5% or \$1.1 million 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. 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 \$114k budget savings.
3. Non-Credit Courses which are offered by the college's Continuing and Professional Development Education department also known as CAPE has a decline of 61.7% or \$137k.

Year-to-Date Expenditures Highlights

Total expenditures for the three-month period ending November 30, 2022, are 0.2% or \$33k greater than the budget. Each of the three major expense categories contributed to this variance. Personnel Services expenses are \$167k less than budget due to the savings of vacant positions. Employee benefit expenses are \$100k lower than budget largely due to healthcare savings related to vacant positions. Contract Services are greater than budget by \$255k 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 three-month period of FY23, we project a positive bottom line of \$128,063.

Revenue projections are .9%, or \$568k less than the budget projections. Most of the variances are attributable to the following items:

1. Enrollment decline of 2.7% for the Fall will continue to the Spring and are larger than the college's budget.
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 \$440k.
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 1.1%, or \$696k 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%. The previous months projections estimated a 11% increase for active employees only which helped mitigate this large increase. Projection also includes a \$270k savings from vacant positions.

Contract Services:

1. Materials and supplies savings of \$72k.
2. Increase utility costs of \$350k 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 \$147k 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. Currently there are two vacant fulltime positions.
6. Estimated additional Bad Debt expense of \$125k.
7. Increase Operations and Maintenance of buildings cost by \$100k due to additional unexpected costs.
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 10.8% of operating expenses.

It should be noted that the College's estimated operating fund balance of \$6,906,357 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			
	11/30/2022	11/30/2022	\$ 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 11/31/22	as of 11/31/22	Fav/(Unfav)	Fav/(Unfav)			Fav/(Unfav)	Fav/(Unfav)
			(A-B)	(C/D)			(E-F)	(G/H)			(I-J)	(K/L)
1 Revenue												
2 Fall	\$ 9,552	\$ (114,600)	\$ 124,152	-108.3%	9,284,193	\$ 9,479,852	\$ (195,659)	-2.1%	\$ 9,055,431	\$ 9,071,090	(15,659)	-0.2%
3 Winter	85,932	83,400	2,532	3.0%	85,932	83,400	2,532	3.0%	98,513	95,981	2,532	2.6%
4 Spring	3,793,343	4,117,063	(323,721)	-7.9%	3,788,383	4,107,413	(319,031)	-7.8%	7,357,166	7,416,196	(59,031)	-0.8%
5 Summer	135,177	134,000	1,177	0.9%	110,313	128,500	(18,187)	-14.2%	1,498,635	1,366,822	131,813	9.6%
6 Tuition-Credit	4,024,004	4,219,863	(195,859)	-4.6%	13,268,821	13,799,165	(530,344)	-3.8%	18,009,745	17,950,089	59,656	0.3%
7 Tuition-Non-Credit	2,000	1,000	1,000	100.0%	5,490	6,971	(1,481)	-21.2%	23,681	25,162	(1,481)	-5.9%
8 Total Tuition	4,026,004	4,220,863	(194,859)	-4.6%	13,274,311	13,806,136	(531,825)	-3.9%	18,033,426	17,975,251	58,175	0.3%
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	40,826	25,226	15,600	61.8%	1,192,790	1,468,141	(275,352)	-18.8%	2,420,703	2,896,055	(475,352)	-16.4%
12 Service Fees	496,556	559,319	(62,763)	-11.2%	1,895,289	2,046,174	(150,885)	-7.4%	2,642,525	2,803,410	(160,885)	-5.7%
13 Non Credit Courses	22,158	35,000	(12,842)	-36.7%	85,134	222,342	(137,208)	-61.7%	362,793	500,001	(137,208)	-27.4%
14 ARP Funding	-	-	-	#DIV/0!	3,605,450	3,605,450	-	0.0%	6,192,634	6,192,634	-	0.0%
15 Other	28,308	38,219	(9,911)	-25.9%	107,899	103,592	4,307	4.2%	605,351	458,044	147,307	32.2%
16 Sub-Total	587,848	657,764	(69,916)	-10.6%	10,068,212	10,627,350	(559,137)	-5.3%	44,575,076	45,201,213	(626,137)	-1.4%
17 Total Revenues	4,613,852	4,878,627	(264,775)	-5.4%	23,342,523	24,433,486	(1,090,963)	-4.5%	62,608,501	63,176,464	(567,963)	-0.9%
18 Expenditures			(F-E)	(G/F)			(F-E)	(G/F)			(J-I)	(K/J)
19 Total Personnel Services	2,827,834	2,896,305	68,471	2.4%	8,019,231	8,186,264	167,034	2.0%	32,919,572	33,573,994	654,421	1.9%
20 Total Employee Benefits	1,393,870	1,376,479	(17,392)	-1.3%	4,261,248	4,360,958	99,711	2.3%	18,368,582	18,337,172	(31,410)	-0.2%
21 Total Contract Services	460,000	519,020	59,020	11.4%	2,347,961	2,093,022	(254,939)	-12.2%	11,135,994	11,253,398	117,404	1.0%
22 Equipment	48,288	974	(47,313)	0.0%	48,288	3,898	(44,390)	0.0%	56,290	11,900	(44,390)	-373.0%
23 Total Expenditures	4,729,992	4,792,777	62,785	1.3%	14,676,727	14,644,142	(32,584)	-0.2%	62,480,439	63,176,464	696,025	1.1%
24 Rev over/(under) Exp	\$ (116,141)	\$ 85,850	\$ (201,990)		\$ 8,665,796	\$ 9,789,343	\$ (1,123,547)		\$ 128,063	\$ 0	\$ 128,062	

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

Est Operating Fund balance as of 8/31/22 10.85% of Operating Expense

Operating Fund 6,778,294

Proj. Operating fund balance as of 8/31/23 11.05% of Operating Expense

\$ 6,906,357