

**ORANGE COUNTY COMMUNITY COLLEGE**

Middletown, New York 10940

**Office of the Vice President for Administration & Finance**

**March 16, 2022**

To: Members of the Board of Trustees

From: Paul Martland, Vice President of Administration and Finance

**FISCAL REPORT: September 1, 2021 – February 28, 2022**

The report of revenue and expenditures for the period September 1, 2021 to February 28, 2022 is attached. This report compares the projected 2021-2022 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 six-month period ending February 28, 2022, are 3.8% or \$1.6 million lower than the budget expectations. Enrollment declines of 17% for Fall and Spring are the major contributing factors to the shortfall. As you recall the college budgeted for 10% reduction. These shortfalls impacts tuition, fees, and chargeback revenues. There was also a 59.3%, or \$224k decline in Non-Credit Courses which are offered by the college's Continuing and Professional Development Education department also known as CAPE.

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

Total expenditures for the six-month period ending February 28, 2022, are 8.5% or \$2.5 million below the budget. Each of the three major expense categories contributed to this positive variance. Personnel Services expenses are down \$1.7 million from the budget, largely due to savings from employee retirements, the timing of filling open positions, and reductions in Federal Work Study payments. Employee benefit expenses are \$657k lower than budget largely due to vacant positions not yet filled. Contract Services is less than budget by \$113k and Equipment is over budget by \$10k.

**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 six month period of FY22, we now project a positive bottom line of \$873.

Revenue projections are 3.0%, or \$1.9 million less than the budget projections. Most of the variances are attributable to the following items:

1. Enrollment decline of 17% for the Fall and Spring are larger than the college's budget decline of 10%.
2. Decrease in Federal and Local Work Study due to 50% of classes being offered remote.
3. Decrease in the expectation of rental income
4. Reduction in non-credit program revenues.

Expense projections are 3.0%, or \$1.9 million less than the budget projections. 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. A review was completed comparing budgeted positions with the most recent payroll and additional salary savings were identified due to vacant positions that occurred after the budget was created. This revised projection includes partial year funding for 3 non-budgeted positions totaling \$80k. A comprehensive 6-month analysis of personnel costs was completed and had minimal additions compared to the previous analysis done in January.

The revised projection also includes the actual 12% increase in health insurance costs effective January 1, 2022. This increase is 8% more than what the college budgeted, resulting in additional health care costs of \$436k. Contract Services projections include an additional \$350k in consulting costs who will be used to temporary fill some of the college vacancies and provide assistance to CAPE to bolster Self Sustaining revenues.

**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 10.89% of operating expenses.

It should be noted that the College's estimated operating fund balance of \$6,655,258 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

AY21-22 Projected Year-End

		C		D		E		F		G		H		I		J		K		L	
		Actual Month vs Budget Month				YTD Actual vs. YTD Budget				Projected vs. Budget											
		2/28/2022	2/28/2022	\$ Variance	% Variance	YTD Actual	YTD Budget	\$ Variance	% Variance	AY21-22	AY21-22	\$ Variance	% Variance	AY21-22	AY21-22	\$ Variance	% Variance	AY21-22	AY21-22	\$ Variance	% Variance
		Actual Month	Budget Month	Fav/(Unfav)	Fav/(Unfav)	as of 02/28/22	as of 02/28/22	Fav/(Unfav)	Fav/(Unfav)	*Revised Projection	Original Budget	Fav/(Unfav)	Fav/(Unfav)	Original Budget	Original Budget	Fav/(Unfav)	Fav/(Unfav)	Original Budget	Original Budget	Fav/(Unfav)	Fav/(Unfav)
				(A-B)	(C/B)			(E-F)	(G/F)			(I-J)	(K/J)			(I-J)	(K/J)			(I-J)	(K/J)
1	Revenue																				
2	Fall	\$ (16,020)	\$ (33,210)	\$ 17,190	-51.8%	9,202,955	\$ 9,632,540	\$ (429,585)	-4.5%	\$ 9,151,635	\$ 9,581,220	(429,585)	-4.5%								
3	Winter	(504)	(10)	(494)	4940.0%	100,464	92,080	8,384	9.1%	100,464	92,080	8,384	9.1%								
4	Spring	(79,247)	(35,120)	(44,127)	125.6%	7,376,136	7,939,500	(563,364)	-7.1%	7,471,616	8,034,980	(563,364)	-7.0%								
5	Summer	168,784	169,000	(216)	-0.1%	159,495	169,000	(9,505)	-5.6%	1,318,355	1,327,860	(9,505)	-0.7%								
6	Tuition-Credit	73,013	100,660	(27,647)	-27.5%	16,839,050	17,833,120	(994,070)	-5.6%	18,042,070	19,036,140	(994,070)	-5.2%								
7	Tuition-Non-Credit	130	-	130	#DIV/0!	7,770	11,240	(3,470)	-30.9%	16,795	20,265	(3,470)	-17.1%								
8	<b>Total Tuition</b>	<b>73,143</b>	<b>100,660</b>	<b>(27,517)</b>	<b>-27.3%</b>	<b>16,846,820</b>	<b>17,844,360</b>	<b>(997,540)</b>	<b>-5.6%</b>	<b>18,058,865</b>	<b>19,056,405</b>	<b>(997,540)</b>	<b>-5.2%</b>								
9	State Aid	2,952,419	2,942,554	9,865	0.3%	5,904,838	5,885,109	19,729	0.3%	11,809,673	11,770,217	39,456	0.3%								
9a	State Aid-Non Credit Courses	229,548	229,548	-	0.0%	459,097	459,097	-	0.0%	918,193	918,193	-	0.0%								
10	County Aid	4,763,221	4,763,220	1	0.0%	9,526,442	9,526,441	1	0.0%	19,052,883	19,052,882	1	0.0%								
11	Chargebacks	16,224	12,770	3,454	27.0%	1,176,840	1,383,340	(206,500)	-14.9%	2,620,240	2,826,740	(206,500)	-7.3%								
12	Service Fees	43,761	31,460	12,301	39.1%	2,568,915	2,723,680	(154,765)	-5.7%	2,720,545	2,925,310	(204,765)	-7.0%								
13	Non Credit Courses	16,513	44,830	(28,317)	-63.2%	153,789	378,200	(224,411)	-59.3%	200,886	456,790	(255,904)	-56.0%								
14	Cares Funding	-	-	-	0.0%	-	-	-	0.0%	-	-	-	#DIV/0!								
15	CRRSAA Funding	-	-	-	#DIV/0!	5,268,118	5,268,118	0	0.0%	5,268,118	5,268,118	0	0.0%								
16	ARP Funding	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!								
17	Other	23,332	40,560	(17,228)	-42.5%	170,794	250,528	(79,734)	-31.8%	448,444	683,443	(234,999)	-34.4%								
18	Sub-Total	8,045,018	8,064,943	(19,925)	-0.2%	25,228,834	25,874,512	(645,678)	-2.5%	43,038,983	43,901,693	(862,710)	-2.0%								
19	<b>Total Revenues</b>	<b>8,118,161</b>	<b>8,165,603</b>	<b>(47,442)</b>	<b>-0.6%</b>	<b>42,075,654</b>	<b>43,718,872</b>	<b>(1,643,218)</b>	<b>-3.8%</b>	<b>61,097,848</b>	<b>62,958,098</b>	<b>(1,860,250)</b>	<b>-3.0%</b>								
20	Expenditures			(F-E)	(G/F)			(F-E)	(G/F)			(I-I)	(K/J)								
21	Total Personnel Services	2,330,585	2,633,570	302,985	11.5%	14,648,090	16,367,046	1,718,956	10.5%	32,684,537	34,371,200	1,686,663	4.9%								
22	Total Employee Benefits	1,665,920	1,807,819	141,899	7.8%	8,468,520	9,125,069	656,549	7.2%	17,629,305	18,400,226	770,921	4.2%								
23	Total Contract Services	522,148	523,348	1,200	0.2%	3,433,419	3,546,441	113,022	3.2%	10,481,498	9,894,772	(586,726)	-5.9%								
24	Equipment	150,191	141,035	(9,156)	0.0%	272,612	262,877	(9,735)	0.0%	301,635	291,900	(9,735)	-3.3%								
25	<b>Total Expenditures</b>	<b>4,668,844</b>	<b>5,105,772</b>	<b>436,929</b>	<b>8.6%</b>	<b>26,822,641</b>	<b>29,301,432</b>	<b>2,478,791</b>	<b>8.5%</b>	<b>61,096,975</b>	<b>62,958,098</b>	<b>1,861,123</b>	<b>3.0%</b>								
26	Rev over/(under) Exp	\$ 3,449,317	\$ 3,059,830	\$ 389,487		\$ 15,253,013	\$ 14,417,440	\$ 835,573		\$ 873	\$ -	\$ 873									
Est Operating Fund balance as of 8/31/21		10.89% of Operating Expense						Operating Fund		6,654,385											
Proj. Operating fund balance as of 8/31/22		10.89% of Operating Expense								6,655,258											
								Capital Chargeback Fund		837,762											
								IT Fund		775,000											

Athletic Fund	476,571
Facilities Fund	360,000
PIP Fund	268,802
<b>Total Restricted Fund Balance</b>	<b><u>\$ 2,718,135</u></b>

**Total Projected Operating and  
Restricted Fund Balance as of  
8/31/22**

**\$ 9,373,393**

\***Revised Projection** takes into account the Current YTD Actual Activity and adds the Budget monthly amounts for the remaining months, plus any known Revenue Shortfalls or Savings.