

ORANGE COUNTY COMMUNITY COLLEGE

Middletown, New York 10940

**Office of the Vice President for Administration & Finance
October 20, 2021**

To: Members of the Board of Trustees

From: Paul Martland, Vice President of Administration and Finance

FISCAL REPORT: September 1, 2021 – September 30, 2021

The report of revenue and expenditures for the period September 1, 2021 to September 30, 2021 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 one-month period ending September 30, 2021, are 6.8% or \$866k lower than the budget expectations. Fall enrollment decline of 17% compared to the 10% budgeted decline is the major contributing factor to the shortfall, which impacts tuition, fees, and chargeback revenues. There was also a 62%, or \$95k 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 one-month period ending September 30, 2021, are 9.4% or \$253k below the budget. Each of the three major expense categories contributed to this positive variance. Personnel Services expenses are down \$464k 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 \$145k lower than budget largely due to vacant positions net yet filled. There was also some cost savings of \$4k identified in Contract Services.

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 one month of FY22, we continue to project a breakeven result.

Revenue projections are 3.6%, or \$2.3 million less than the budget projections. Most of the variances are attributable to the following items:

1. Fall '21 enrollment decline of 17% which is 7% larger than the college's budget decline of 10%. This additional unbudgeted decline will also impact Spring '22 enrollment, fees and chargeback revenues.
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. A \$39k increase in state revenue compared to budget.
5. Reduction in non-credit program revenues due to remote operations.

Expense projections are 3.6%, or \$2.3 million less than the budget projections. Most of the variances are attributable to the following items:

1. Reductions in personnel costs due to non-budgeted retirements and savings due to the timing of filling open positions.
2. an increase in contract services due to higher than budgeted energy costs

FUND BALANCE

At the beginning of the year, the College's unrestricted fund balance was 13.7% of its operating expenses. 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.” As noted above, the current projection indicates that the fund balance will remain the same for this fiscal year, which will result in a level of 13.0% of operating expenses.

It should be noted that the College’s estimated operating fund balance of \$7,890,986 is different from what our Sponsor Orange County reports as our fund balance due to different accounting standards. In its fund balance calculation, Orange County 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 produces a higher unrestricted fund balance than that reported by the College in our audited financial statements.