



BOARD OF TRUSTEES

**Finance, Audit, and Infrastructure**  
COMMITTEE

**October 26, 2018**  
MEETING DATE

**SUBJECT:**

**Monthly Financial Performance Reports**

**PRESENTED BY: John Shipley**

**BACKGROUND/CURRENT STATUS/MATTERS REQUIRING ACTION/  
FINANCIAL IMPLICATIONS:**

**FY2019 Financial Analysis #1**

**Revenue**

Tuition and Fee Revenue – Tuition and fees through September were under the estimated budget by \$792K or 0.8%. Refunds to students exceeded assessments by \$103K, causing year to date tuition and fees to decline from the amount reported as of August 31. The estimated budget also declined based on the results for the prior two years. Experience indicates that increases and decreases in fall enrollment will continue through the spring and by applying consistent factors to the various components of tuition and fee revenue for spring we continue to estimate an annual shortfall of \$2.4 million.

Investment Income increased \$609K from August due to the recognition of unrealized gains in the VIA Private Equity Fund (\$250K) and the SEI Global Private Equity Fund (\$175K). These funds are marked to market quarterly in arrears (June valuation).

**Expenses and Transfers**

Compensation – Expenses are relatively flat to budget with modest savings of \$512K attributed to vacancies.

Supplies are under estimated budget by \$600K or 32% mainly due to p-card charges of \$484K not posted by month end cut-off.

Information and Communications is \$124K or 14% over budget year to date. Cost recoveries (charge back to departments) have declined as departments disconnect phone lines to achieve the cost savings, causing the credit to the IT department (CATS) to decline while continuing to incur the fixed costs of maintaining the phone system.

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**BOARD RESOLUTION REQUESTED:**

For information only.

**FY2019 Financial Analysis #1 – Cont'd**

Maintenance & Repairs & Utilities – Actual results exceed the budget estimate by \$397K. The main factor for the variance is the timing of the payment to Ellucian for the Banner enterprise software of \$680K that occurred in August.

Other Expenses – Actual results are under the budget estimate to date by \$4.3 million. Several centrally budgeted expense categories including strategic initiatives, capital equipment, and transfers to repair and replacement reserves, accounting for \$3.7 million of the variance, are being allocated as needed but yet to be expensed.

**FY2018 to FY2019 Actual Comparison #2** – This report compares the actual results to date for the current fiscal year as a percent of the annual budget for the current fiscal year. These results are compared to the actual performance for the same time period of the previous year as a percent of the actual annual results for the previous year.

Overall revenues and expenses for 2019 when compared to budget are tracking well to fiscal 2018 actual to year end actual on a percentage basis. Forty-five percent of revenue has been recognized to date vs. 45% one year ago. Tuition and fees is down \$5.5 million against the \$9 million budgeted reduction over last year. This trend suggests tuition revenue will not meet the budget target. Expenses incurred to date are 29% of budgeted expense vs. 31% one year ago, however, central budgeted amounts are being allocated and have yet to be expensed.

**FY2018 to FY2019 Budget to Actual Variance #3**– The final report presents the results for the month of September. Variances were discussed under report #1 above.