

July 24, 2014 Board Meeting

Operational Budget

The FY15 Operational Budget has been provided for the Board to consider. The budget increases revenue by \$1,212,954 and increases expenditures by \$1,507,672 over last year's operational budget. The budget was developed assuming 3% enrollment growth for FY15. The majority of the Capital Projects have been paid for with the exception of the generator project (a small amount is still pending).

As of the end of FY14, our cash reserves ended up at 37%. This was up from 36% the previous year. Our cash reserve takes more into account than actual cash within the general and PTE funds (General fund, PTE fund, accounts payable, misc. auxiliary accounts such as Aldrich, Capital Outlay, Student Salary, etc.) and is a calculation based on the current expenditure budget. Our reserve % will show up as a lower figure if our expenditure budget is higher. Because our expenditure budget was higher last year (due to the Capital projects), the reserve % was lower last year.

Although the end of FY14 shows expenditures that exceed our revenue, this was due to an audit write-off in the amount of \$943,540 of accounts receivable (expenditure on paper, no actual funds expended). We actually grew cash in the amount of \$490,000 last year.

If the state rescission amount exceeds 2%, operational budgets will need to be adjusted mid-year. If the state does not require a rescission of state aid, or if our enrollment growth exceeds 3%, our revenue will be greater than what is planned.

The major changes to the FY15 budget include:

| | |
|---------|--|
| 215,000 | Additional revenue from tuition increase |
| 159,000 | 2% planned rescission of state aid |
| | |
| 176,000 | Additional Employee Benefits (Health Insurance, Social Security, KPERS) |
| 91,707 | Information Technology operational budget |
| 75,000 | Public Relations/Marketing budget |
| 30,000 | Athletic operational budget (travel, referees, etc.) |
| 255,000 | Faculty & Staff wage changes (approximate 2% of total salary budget) |
| 170,000 | End of Title III grant, Barton taking over grant expenses |
| 215,000 | New positions |
| | <ul style="list-style-type: none"> • Full time English/Dev Ed Faculty member/Advisor • Accreditation Coordinator • Financial Aid Communication Specialist • Customer Service Representative/Advisor • Misc. part time faculty positions |

| | | | July 24, 2014 Board Meeting Operational Budget | |
|--|-------------------|-----------------------------|---|---------------------------------|
| GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS FUNDS FLOW ACTIVITY PERIOD ENDED JUNE 30, 2014 | | | GENERAL, POSTSECONDARY TECHNICAL & EMPLOYEE BENEFITS Operational Budget | |
| | 2013-14 BUDGET | PERIOD ENDED 06/30/14 | 2014-15 BUDGET | Difference from 13-14 Budget |
| Fund Balance, Beginning | 11,645,548 | 11,645,548 | 10,069,533 | |
| Tuition and Fees | 11,469,825 | 11,966,379 | 12,602,648 | 1,132,823.18 |
| Local Taxes | 8,674,049 | 8,544,173 | 8,674,020 | -29.00 |
| State Aid | 8,059,623 | 8,258,816 | 8,106,733 | 47,110.32 |
| Other Taxes | 1,000,000 | 1,004,443 | 1,100,000 | 100,000.00 |
| Other | 510,550 | 405,536 | 443,600 | -66,950.00 |
| Total Revenue | 29,714,047 | 30,179,346 | 30,927,002 | 1,212,954.50 |
| Expenditures: | | | | |
| Instruction (100) | 13,472,973 | 14,363,387 | 14,323,749 | 850,775.75 |
| Academic Support (200, 400) | 3,737,923 | 3,446,974 | 3,730,963 | -6,959.86 |
| Student Services (300, 500, 800) | 3,001,662 | 2,723,914 | 2,848,307 | -153,355.35 |
| Institutional Support (600, 900) | 5,619,303 | 6,661,132 | 6,900,965 | 1,281,662.33 |
| Physical Plant Operations (700) | 3,882,186 | 3,444,661 | 3,417,735 | -464,450.86 |
| Total Expenditures | 29,714,047 | 30,640,068 | 31,221,719 | 1,507,672.01 |
| Fund Balance, Ending | 11,645,548 | 10,069,533 | 9,774,815 | |

Recommendation: Approve the operational budget as presented.