

July 10, 2014 Board Study Session

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
	<ul style="list-style-type: none">• Accreditation Coordinator
	<ul style="list-style-type: none">• Financial Aid Communication Specialist
	<ul style="list-style-type: none">• Customer Service Representative/Advisor
	<ul style="list-style-type: none">• Misc. part time faculty positions

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GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS			GENERAL, POSTSECONDARY TECHNICAL & EMPLOYEE BENEFITS	
FUNDS FLOW ACTIVITY			Operational Budget	
PERIOD ENDED JUNE 30, 2014		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	