




Office of the President
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To: MSU Board of Regents
Mr. Samuel M. Sanchez, Chair
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Mrs. Tiffany Burks
Mr. R. Caven Crosnoe
Dr. Lynwood Givens
Mr. Jeff Gregg
Mr. Shawn Hessing
Mrs. Nancy Marks
Dr. Shelley Sweatt
Ms. Lindsey Shelley, Student Regent

From: Suzanne Shipley
President 

Date: October 21, 2016

Subject: Financial Report (Unaudited) – July 31, 2016

Attached is the Financial Report (Unaudited) for seven months ended July 31, 2016. Please feel free to contact me if you have any questions.

enclosure
SS/rr

C: Debbie Barrow



Administration and Finance
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
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To: Suzanne Shipley, President
Midwestern State University

Board of Regents
Midwestern State University

From: Marilyn Fowlé
Vice President for Administration and Finance
Midwestern State University

SUBJECT: Financial Report –July 31, 2016

Enclosed is the unaudited financial report for Midwestern State University for the seven months ended July 31, 2016. Total revenue for the institution, \$100.3M, is up 6.8% compared to the same period last year with largest changes realized in tuition and fees (up \$2.6M), state grants (up \$1M) and state appropriations (up \$1.3M). Gift income decreased by \$60K, a drop of 1.3% from last year. Operating expenses have increased from \$98.2M to \$105.3M, an increase of \$7.1M from last year. The largest portion of this change, \$2.6M, was an increase in salaries and wages. Following that increase, the institution's investment of financial aid to students to boost enrollment increased, with scholarships growing by \$1.6M, 7.8%. The next largest increase was in rentals and leases (\$.6M) due to the larger rental of off-campus housing this year over last and timing differences with the payments. Travel, materials and supplies, repairs and maintenance have all increased in the 4-15% range from last year. Study abroad program increases, additional classroom equipment, and roof repairs and software maintenance cost increases respectively explain the increase over last year for these items.

Schedule 2 provides a comparison of original budgets with adjusted budgets and actuals through July 31, 2016, by fund type. The comparison of budgeted total revenue shows 101.1% of revenues have been received with one month remaining in the fiscal year. All of the state appropriations have been booked at this time (\$27.6M). All of the tuition and fees and residence halls (Sales and services auxiliary) income have been booked (101.7% and 95.3% respectively). Expenses are lower than expected to the expense budget, with 80.7% expended and 91.7% of the year completed. The university expects to be very close to its budgeted revenue and expense budget.

Schedule 3 shows that the university exceeded its goals for tuition and fee revenues. The university budgeted \$54.4M in tuition, fee and auxiliary revenues for year. The total raised was \$54.8M showing a \$355K in funds raised above the budget. The university's fall, spring, and summer head counts (combined) exceeded the budget by 454 students and semester credit hour generation by 2,044.

**Midwestern State University
Wichita Falls, Texas**

**Financial Report
(Unaudited)
For the Eleven Months Ended July 31, 2016**

Unaudited							Schedule 1	
Midwestern State University								
Comparison of Operating Results and Margin								
For the Eleven Months Ended July 31, 2016								
(With Comparative Totals for the Eleven Months Ended July 31, 2015)								
	Actual	Actual	YTD		YTD			%
	Jul., 2016	Jul., 2015	Jul., 2016	%	Jul., 2015	%	Variance	Var.
Operating Revenues:								
Student tuition and fees	\$ 3,734,124	\$ 3,494,597	\$ 40,903,503	40.8%	\$ 38,338,173	40.8%	\$ 2,565,330	6.7%
Federal Grants	22,238	35,806	721,538	0.7%	533,888	0.6%	187,650	35.1%
State Grants	495		4,532,337	4.5%	3,518,968	3.7%	1,013,369	28.8%
Other Grants and Contracts		100,000	1,274,531	1.3%	1,066,044	1.1%	208,487	19.6%
Sales & Serv. of Educational Activities	67,461	106,521	1,368,237	1.4%	1,293,593	1.4%	74,644	5.8%
Sales & Serv. of Auxiliary Enterprises	851,388	798,228	9,979,234	9.9%	9,464,871	10.1%	514,363	5.4%
Other Operating Revenue	81,830	109,427	2,093,490	2.1%	1,895,482	2.0%	198,008	10.4%
Total Operating Revenues	4,757,536	4,644,579	60,872,869	60.7%	56,111,019	59.8%	4,761,850	8.5%
Nonoperating Revenues:								
State Appropriations	1,538,519	1,417,681	16,923,705	16.9%	15,594,492	16.6%	1,329,213	8.5%
Additional State Appropriations	480,343	421,077	5,185,988	5.2%	4,692,736	5.0%	493,252	10.5%
Federal Grants (Pell)	81,279	100,590	8,418,165	8.4%	8,415,916	9.0%	2,249	0.0%
Gifts	119,365	61,388	4,706,603	4.7%	4,766,612	5.1%	(60,009)	-1.3%
Investment Income	95,368	196,116	1,137,615	1.1%	1,057,501	1.1%	80,114	7.6%
Other Nonoperating Revenue				0.0%	5,873	0.0%		0.0%
Total Nonoperating Revenue	2,314,873	2,196,852	36,372,076	36.2%	34,533,130	36.8%	1,844,819	5.3%
Other Revenues (HEAF Appropriation)	281,190	296,619	3,093,085	3.1%	3,262,814	3.5%		-5.2%
TOTAL ALL REVENUES	7,353,598	7,138,050	100,338,030	100.0%	93,906,962	100.0%	6,606,669	6.8%
Operating Expenses:								
Salaries and Wages	2,411,223	3,258,336	38,443,796	35.6%	35,824,922	35.5%	2,618,873	7.3%
Payroll Related Costs	1,091,474	1,026,087	11,845,851	11.0%	11,090,169	11.0%	755,682	6.8%
Professional Fees and Services	143,401	280,432	4,652,815	4.3%	4,915,158	4.9%	(262,343)	-5.3%
Travel	87,906	142,181	1,820,787	1.7%	1,604,721	1.6%	216,066	13.5%
Materials and Supplies	197,210	287,318	5,599,005	5.2%	5,399,338	5.3%	199,667	3.7%
Communications and Utilities	212,006	174,539	2,350,725	2.2%	2,373,682	2.3%	(22,957)	-1.0%
Repairs and Maintenance	67,638	524,707	4,178,112	3.9%	3,621,857	3.6%	556,255	15.4%
Rentals and Leases	33,702	26,960	1,553,309	1.4%	944,313	0.9%	608,996	64.5%
Printing and Reproduction	10,036	23,447	304,500	0.3%	366,050	0.4%	(61,550)	-16.8%
Bad Debt Expense	31,250	29,167	343,750	0.3%	320,833	0.3%	22,917	
Interest		24	1,631	0.0%	2,188	0.0%	(557)	
Depreciation	1,166,667	1,083,333	12,833,333	11.9%	11,916,667	11.8%	916,666	7.7%
Scholarships	493,317	266,481	21,420,040	19.8%	19,863,904	19.7%	1,556,136	7.8%
Total Operating Expenses	5,945,832	7,123,012	105,347,653	97.5%	98,243,803	97.3%	7,103,850	7.2%
Interest Expense on Debt	244,239	252,470	2,686,634	2.5%	2,777,171	2.7%	(90,538)	-3.3%
TOTAL EXPENDITURES	6,190,071	7,375,482	108,034,286	100.0%	101,020,974	100.0%	7,013,312	6.9%
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	1,163,527	(237,433)	(7,696,256)		(7,114,012)		(582,244)	
Capital Contributions			12,500		759,760		(747,260)	
Additions to Endowments	1,793	474	32,583		451,378		(418,795)	
Transfers In			507,294				507,294	
Transfers Out	(47,400)	(47,400)	(521,398)		(521,398)		-	
TOTAL INCREASE (DECREASE) IN NET ASSETS	\$ 1,117,921	\$ (284,358)	\$ (7,665,277)		\$ (6,424,272)		\$ (1,241,005)	

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Eleven Months Ended July 31, 2016

	Original Budget	Adjusted Budget	Actual Year to Date	(Over) Under Budget	% of Budget Completed	% of Year Completed
<u>Educational & General Funds:</u>						
<u>Revenues:</u>						
State Appropriations	\$ 27,390,771	\$ 27,385,576	\$ 27,571,270	\$ (185,694)	100.7%	91.7%
Registration Tuition and Fees	8,112,211	8,112,211	8,115,637	(3,426)	100.0%	91.7%
Sales and Services Educational	325	325	575	(250)	176.9%	91.7%
State Operating Grants			45,599	(45,599)		91.7%
Other Operating Revenues	11,600	11,600	1,490	10,110	12.8%	91.7%
Other Nonoperating Revenues						91.7%
Investment Income	24,500	24,500	23,716	784	96.8%	91.7%
Total Revenues	\$ 35,539,407	\$ 35,534,212	\$ 35,758,287	\$ (224,075)	100.6%	91.7%
<u>Expenditures:</u>						
Regular Salaries	\$ 5,209,720	\$ 5,208,802	\$ 4,855,045	\$ 353,757	93.2%	91.7%
Faculty Salaries	15,802,621	15,805,591	15,430,741	374,850	97.6%	91.7%
Student Salaries		37,049	35,906	1,143		91.7%
Non-Student Wages and Allowances	65,000	82,698	16,082	66,616	19.5%	91.7%
Fringe Benefits	8,443,877	8,442,911	7,302,108	1,140,803	86.5%	91.7%
Maintenance and Operations	56,447	3,211,343	1,421,903	1,789,440	44.3%	91.7%
Travel		163		163		91.7%
Utilities	1,775,000	1,775,000	1,210,411	564,589	68.2%	91.7%
Capital Outlay (HEAF)	2,424,275	981,551	739,968	241,583	75.4%	91.7%
Scholarships						91.7%
Total Expenditures	\$ 33,776,940	\$ 35,545,108	\$ 31,012,164	\$ 4,532,944	87.3%	91.7%
<u>Designated Funds:</u>						
<u>Revenues:</u>						
Registration Tuition and Fees	\$ 35,704,792	\$ 35,720,348	\$ 36,461,797	\$ (741,449)	102.1%	91.7%
Other Operating Grants and Contracts		3,386	3,386			91.7%
Sales and Services Educational	878,949	1,556,031	1,343,580	212,451	86.4%	91.7%
Other Operating Revenues	1,471,910	2,111,865	1,924,166	187,699	91.1%	91.7%
Gifts	278,662	470,782	460,128	10,654	97.7%	91.7%
Federal Nonoperating Grants		4,136	4,136		100.0%	91.7%
Other Nonoperating Revenues						91.7%
Investment Income	750,000	750,000	489,747	260,253	65.3%	91.7%
Total Revenues	\$ 39,084,313	\$ 40,616,549	\$ 40,686,942	\$ (70,392)	100.2%	91.7%
<u>Expenditures:</u>						
Regular Salaries	\$ 11,462,640	\$ 11,482,053	\$ 10,488,854	\$ 993,199	91.4%	91.7%
Faculty Salaries	2,492,623	2,539,111	2,241,822	297,289	88.3%	91.7%
Grad Assistant Salaries	1,051,914	1,035,914	893,899	142,015	86.3%	91.7%
Student Salaries	1,314,057	1,256,181	1,002,226	253,956	79.8%	91.7%
Non-Student Wages and Allowances	563,609	875,688	676,150	199,538	77.2%	91.7%
Fringe Benefits	4,426,887	4,536,685	3,943,161	593,524	86.9%	91.7%
Maintenance and Operations	6,605,051	12,747,056	6,215,846	6,531,210	48.8%	91.7%
Travel	1,015,384	1,634,232	1,372,173	262,060	84.0%	91.7%
Utilities	413,856	425,346	268,491	156,856	63.1%	91.7%
Capital Outlay	631,294	341,732	190,590	151,143	55.8%	91.7%
Scholarships	5,630,941	6,057,409	4,750,463	1,306,946	78.4%	91.7%
Total Expenditures	\$ 35,608,256	\$ 42,931,408	\$ 32,043,674	\$ 10,887,734	74.6%	91.7%
<i>Transfers to plant funds</i>	<i>\$ (914,821)</i>					

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Eleven Months Ended July 31, 2016

Auxiliary Funds:**Revenues:**

Sales and Services Auxiliaries	\$ 10,963,990	\$ 10,989,060	\$ 10,473,197	\$ 515,863	95.3%	91.7%
Registration Tuition and Fees	150,736	150,736	149,504	1,232	99.2%	91.7%
Other Operating Revenues	10,000	10,000	2,300	7,700	23.0%	91.7%
Other Nonoperating Revenues						91.7%
	\$ 11,124,726	\$ 11,149,796	\$ 10,625,001	\$ 524,795	95.3%	91.7%

Expenditures:

Regular Salaries	\$ 796,041	\$ 796,867	\$ 654,873	\$ 141,994	82.2%	91.7%
Grad Assistant Salaries	27,000					91.7%
Student Salaries	304,673	279,823	246,374	33,449	88.1%	91.7%
Non-Student Wages and Allowances	23,000	34,000	32,198	1,802	94.7%	91.7%
Fringe Benefits	268,224	269,429	216,197	53,232	80.2%	91.7%
Maintenance and Operations	5,030,922	4,210,529	5,319,074	(1,108,545)	126.3%	91.7%
Travel	22,025	26,910	24,204	2,707	89.9%	91.7%
Utilities	1,035,868	1,068,748	865,891	202,858	81.0%	91.7%
Capital Outlay	157,625	7,128		7,128	0.0%	91.7%
Scholarships	12,000	21,200	23,743	(2,543)	112.0%	91.7%
Total	\$ 7,677,378	\$ 6,714,635	\$ 7,382,553	\$ (667,918)	110.0%	91.7%

Restricted Funds:**Revenues:**

Sales and Services Educational	\$ 15,000	\$ 15,000	\$ 24,565	\$ (9,565)	163.8%	91.7%
Federal Operating Grants	605,176	605,176	735,977	(130,801)	121.6%	91.7%
State Operating Grants	3,346,667	3,346,667	4,486,738	(1,140,071)	134.1%	91.7%
Other Operating Grants and Contracts	1,200,000	1,200,000	1,271,144	(71,144)	105.9%	91.7%
Other Operating Revenues	90,000	90,000	87,394	2,606	97.1%	91.7%
Federal Nonoperating Grants	8,600,000	8,600,000	8,414,028	185,972	97.8%	91.7%
Other Nonoperating Revenues			12,500	(12,500)		91.7%
Gifts	4,030,217	4,030,217	4,119,720	(89,503)	102.2%	91.7%
Investment Income	350,000	350,000	507,802	(157,802)	145.1%	91.7%
	\$ 18,237,060	\$ 18,237,060	\$ 19,659,868	\$ (1,422,808)	107.8%	91.7%

Expenditures:

Regular Salaries	\$ 234,961	\$ 350,854	\$ 223,707	\$ 127,146	63.8%	91.7%
Faculty Salaries	1,252,734	2,310,674	1,197,080	1,113,594	51.8%	91.7%
Grad Assistant Salaries		1,777	1,777	-		91.7%
Student Salaries	298,844	239,416	197,457	41,959	82.5%	91.7%
Non-Student Wages and Allowances	52,661	358,663	249,606	109,058	69.6%	91.7%
Fringe Benefits	427,314	641,968	384,386	257,582	59.9%	91.7%
Maintenance and Operations	654,836	7,444,456	1,936,778	5,507,678	26.0%	91.7%
Travel	42,950	627,103	424,410	202,693	67.7%	91.7%
Utilities	414	4,224	1,897	2,327	44.9%	91.7%
Capital Outlay	152,320	620,954	219,383	401,572	35.3%	91.7%
Scholarships	12,910,966	16,055,097	16,645,834	(590,737)	103.7%	91.7%
Total	\$ 16,028,000	\$ 28,655,188	\$ 21,482,315	\$ 7,172,873	75.0%	91.7%

Total Current Operating Funds Revenues	\$ 103,985,506	\$ 105,537,617	\$ 106,730,098	\$ (1,192,480)	101.1%	91.7%
Total Current Operating Funds Expenditures	\$ 93,090,574	\$ 113,846,339	\$ 91,920,705	\$ 21,925,633	80.7%	91.7%

Midwestern State University
Comparison of Budget to Actual
Current Operating Funds
For the Eleven Months Ended July 31, 2016

	<u>Adjusted Budget</u>	<u>Actual Year to Date</u>	<u>(Over) Under Budget</u>	<u>% of Budget Completed</u>	<u>% of Year Completed</u>
<u>Total Revenues</u>					
State Appropriations	\$ 27,385,576	\$ 27,571,270	\$ (185,694)	100.7%	91.7%
Registration Tuition and Fees	43,983,295	44,726,939	(743,643)	101.7%	91.7%
Sales and Services Educational	1,571,356	1,368,720	202,636	87.1%	91.7%
Sales and Services Auxiliary	10,989,060	10,473,197	515,863	95.3%	91.7%
Federal Operating Grants (Restricted fds)	605,176	781,576	(176,400)	129.2%	91.7%
Federal Nonoperating Grants	8,604,136	8,418,165	185,972	97.8%	91.7%
Other State Grants & Contracts	3,346,667	4,486,738	(1,140,071)	134.1%	91.7%
Other Operating Grants and Contracts	1,203,386	1,274,531	(71,144)	105.9%	91.7%
Gifts	4,500,999	4,579,848	(78,848)	101.8%	91.7%
Other Operating Revenues	2,223,465	2,015,350	208,115	90.6%	91.7%
Other Nonoperating Revenues	-	12,500	(12,500)		91.7%
Investment Income	1,124,500	1,021,265	103,235	90.8%	91.7%
Total Revenues	\$ 105,537,617	\$ 106,730,098	\$ (1,192,480)	101.1%	91.7%
<u>Total Expenditures</u>					
Regular Salaries	\$ 17,838,576	\$ 16,222,480	\$ 1,616,097	90.9%	91.7%
Faculty Salaries	20,655,377	18,869,643	1,785,733	91.4%	91.7%
Graduate Assistant Salaries	1,037,691	895,676	142,015	86.3%	91.7%
Student Salaries	1,812,469	1,481,961	330,508	81.8%	91.7%
Non-Student Wages and Allowances	1,351,049	974,036	377,014	72.1%	91.7%
Fringe Benefits	13,890,993	11,845,851	2,045,141	85.3%	91.7%
Maintenance and Operations	27,613,384	14,893,601	12,719,783	53.9%	91.7%
Travel	2,288,409	1,820,787	467,622	79.6%	91.7%
Utilities	3,273,319	2,346,690	926,629	71.7%	91.7%
Capital Outlay	1,951,366	1,149,941	801,425	58.9%	91.7%
Scholarships	22,133,706	21,420,040	713,666	96.8%	91.7%
Total Expenditures	\$ 113,846,339	\$ 91,920,705	\$ 21,925,633	80.7%	91.7%
Total Current Operating Funds Revenues	\$ 105,537,617	\$ 106,730,098	\$ (1,192,480)	101.1%	91.7%
Total Current Operating Funds Expenditures	\$ 113,846,339	\$ 91,920,705	\$ 21,925,633	80.7%	91.7%

Reconciliation to Adjusted Budget:

Original budget	\$ 103,352,620
Includes fund transfers from plant funds	
Includes fund transfers to plant funds	(914,821) *
Wellness Center renewal & replacement	(10,000)
Housing renewal & replacement	(50,000)
Dining Services renewal & replacement	(30,000)
Budgets increased with additional revenue	6,007,150
Duplicate budgets adjusted for Facilities	
Services allocations to auxiliary funds	(985,033)
Debt service	(8,052,986)
Prior yr. unexpended budgets carried forward	15,542,537
Corrected carryover budget in donor fund	(1,013,129)
Reconciled to original/adjusted budgets	<u>\$ 113,846,339</u>

- *1) Transfer from WFMA to cover additional exterior renovation costs \$5,000
 *2) Transfer from Institutional Support to cover title fees for University Village \$250
 *3) Transfers from USF \$6 Set-Aside to fund free play turf fields and basketball courts \$909,571

MIDWESTERN STATE UNIVERSITY
COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE
FOR THE ELEVEN MONTHS ENDED JULY 31, 2016

	FALL			SPRING			SUMMER			TOTAL		
<u>Revenue Source</u>	<u>Fall Budget</u>	<u>Fall Actual</u>	<u>Over (Under) Budget</u>	<u>Spring Budget</u>	<u>Spring Actual</u>	<u>Over (Under) Budget</u>	<u>Summer Budget</u>	<u>Summer Actual</u>	<u>Over (Under) Budget</u>	<u>Total Revenue Budget</u>	<u>Total Actual Revenue</u>	<u>Over (Under) Budget</u>
EDUCATIONAL & GENERAL:												
Tuition	\$ 3,720,498	\$ 3,706,321	\$ (14,177)	\$ 3,461,114	\$ 3,479,241	\$ 18,127	\$ 886,734	872,091	\$ (14,643)	\$ 8,068,346	\$ 8,057,653	\$ (10,693)
Audit Fees	100	50	(50)	150	250	100	75	275	200	325	575	250
Applied Music Fees	5,158	5,670	512	4,692	6,160	1,468	-	-	-	9,850	11,830	1,980
Laboratory Fees	20,093	21,688	1,595	19,209	21,276	2,067	4,563	3,190	(1,373)	43,865	46,153	2,288
Total Educational & General	3,745,849	3,733,729	(12,120)	3,485,165	3,506,927	21,762	891,372	875,556	(15,816)	8,122,386	8,116,212	(6,174)
DESIGNATED:												
Local Tuition	7,799,685	7,847,331	47,646	7,281,611	7,496,551	214,940	1,804,430	1,768,924	(35,506)	16,885,726	17,112,806	227,080
Tier II Tuition	192,500	274,680	82,180	189,420	313,600	124,180	33,209	73,780	40,571	415,129	662,060	246,931
Distance Learning Tuition	44,575	44,575	-	45,076	44,525	(551)	48,000	40,550	(7,450)	137,651	129,650	(8,001)
Three Peat Tuition	78,608	66,300	(12,308)	69,600	60,000	(9,600)	29,642	18,538	(11,105)	177,850	144,838	(33,013)
Student Union Fee	175,404	188,130	12,726	163,999	176,567	12,568	62,559	33,978	(28,581)	401,962	398,675	(3,287)
Instructional Enhancement Fee	1,278,315	1,266,615	(11,700)	1,184,406	1,214,849	30,443	293,865	284,750	(9,116)	2,756,586	2,766,214	9,628
Distance Learning Fee	493,457	541,673	48,216	527,671	584,444	56,773	300,116	369,450	69,334	1,321,244	1,495,566	174,322
Application Fee	21,000	36,390	15,390	65,000	50,116	(14,884)	38,595	39,070	475	124,595	125,576	981
Recreation Center Fee	526,212	564,392	38,180	491,997	529,823	37,826	182,625	101,951	(80,674)	1,200,834	1,196,166	(4,668)
Athletic Fee	595,215	592,902	(2,313)	552,846	563,515	10,669	137,168	142,563	5,395	1,285,229	1,298,980	13,751
University Services Fee	4,033,364	4,031,697	(1,667)	3,737,060	3,834,055	96,995	927,209	913,336	(13,873)	8,697,633	8,779,087	81,454
Student Service Fee	1,069,638	1,065,348	(4,290)	991,059	1,011,290	20,231	245,893	245,427	(466)	2,306,590	2,322,065	15,475
Total Designated Funds	16,307,973	16,520,033	212,060	15,299,745	15,879,334	579,589	4,103,311	4,032,315	(70,996)	35,711,029	36,431,682	720,653
AUXILIARY:												
Student Center Fee	65,777	70,549	4,772	61,500	66,213	4,713	23,460	12,742	(10,718)	150,737	149,504	(1,233)
Parking Permits & Fines	196,230	197,271	1,041	88,620	54,154	(34,466)	31,650	9,012	(22,638)	316,500	260,437	(56,063)
Residence Halls:												
Killingsworth	563,900	513,571	(50,329)	540,710	445,121	(95,589)	22,500	2,256	(20,244)	1,127,110	960,948	(166,162)
Pierce	425,095	432,589	7,494	394,135	387,638	(6,497)	17,300	1,478	(15,822)	836,530	821,706	(14,824)
Sunwatcher Village	947,545	944,866	(2,679)	930,565	925,394	(5,171)	122,000	106,184	(15,817)	2,000,110	1,976,444	(23,666)
Sundance Court	817,745	809,627	(8,118)	799,885	797,091	(2,794)	180,000	87,795	(92,205)	1,797,630	1,694,513	(103,117)
McCullough-Trigg	319,865	302,891	(16,974)	297,350	299,271	1,921	6,910	844	(6,066)	624,125	603,006	(21,119)
Housing Overflow	630,000	630,285	285	630,000	526,865	(103,135)	22,500	10,685	(11,815)	1,282,500	1,167,835	(114,665)
Bridwell Courts	77,150	81,667	4,517	77,150	77,716	566	25,800	28,525	2,725	180,100	187,907	7,807
Food Service	1,199,820	1,256,145	56,325	1,077,882	1,115,975	38,093	16,123	55,846	39,723	2,293,825	2,427,967	134,142
Total Auxiliary Funds	5,243,127	5,239,461	(3,666)	4,897,797	4,695,440	(202,357)	468,243	315,366	(152,877)	10,609,167	10,250,267	(358,900)
Total all Funds	\$ 25,296,949	\$ 25,493,223	\$ 196,274	\$ 23,682,707	\$ 24,081,701	\$ 398,994	\$ 5,462,926	\$ 5,223,237	\$ (239,689)	\$ 54,442,582	\$ 54,798,161	\$ 355,579
Headcount Enrollment	5,875	6,043	168	5,493	5,736	243	3,546	3,589	43	14,914	15,368	454
Semester Credit Hours	69,300	69,547	247	64,209	66,003	1,794	15,931	15,934	3	149,440	151,484	2,044

Midwestern State University
Changes in Available Working Capital
For the Eleven Months Ended July 31, 2016

<u>Source/Use Of Funds</u>	<u>09/01/15 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>07/31/16 Ending Balance</u>
E & G Unallocated	\$ 1,564,399		
Commitment to FY 15-16 Budget		\$ (555,972)	\$ 1,008,427
HEAF Unallocated	164,517		
Commitment to FY 15-16 Budget		0	164,517
E&G - Mineral Fund	0		
Royalty Income		6,346	6,346
Technology Fee	56		
Commitment to FY 15-16 Budget		(56)	0
Library Fees	46		
Commitment to FY 15-16 Budget		(46)	0
Publication Fees	1		
Commitment to FY 15-16 Budget		(1)	0
Wellness Center Fees	(23)		
Budget transfers in process		23	0
Student Service Fees	652,874		
Commitment to FY 15-16 Budget		(111,638)	
Greek Life design & programming		(5,000)	
Cheerleading championship		(19,046)	
CART & interpreting services		(20,000)	497,190
Medical Services Fee	62		
Commitment to FY 15-16 Budget		(62)	0
Student Union/Ctr Fee	(23,717)		
Budget transfers in process		23,717	0
Course Fees	131,745		
Commitment to FY 15-16 Budget		0	131,745
Instructional Enhancement Fees	0		
Commitment to FY 15-16 Budget		0	0
Distance Learning Fee	188,826		
Commitment to FY 15-16 Budget		(23,854)	164,972
Local Tuition	2,302,220		
Commitment to FY 15-16 Budget		(592,531)	
DFW extension center market study		(90,000)	
Increased funding for summer school		(200,000)	1,419,689
University Services Fee	1,883,178		
Commitment to FY 15-16 Budget		(52,453)	1,830,725
Energy Surcharge	1,069		
Commitment to FY 15-16 Budget		(1,069)	0
Academic Support Fee	372		
Commitment to FY 15-16 Budget		(372)	0
Study Abroad Guest Tuition	22,770		

Midwestern State University
Changes in Available Working Capital
For the Eleven Months Ended July 31, 2016

<u>Source/Use Of Funds</u>	<u>09/01/15 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>07/31/16 Ending Balance</u>
Commitment to FY 15-16 Budget		0	22,770
Distance Learning Tuition	(5,076)		
Budget transfers in process		5,076	0
Athletic Fee	156,889		
Commitment to FY 15-16 Budget		0	156,889
Three-Peat Tuition	(27,500)		
Budget transfers in process		27,500	0
Tier II Tuition	(64,886)		
Budget transfers in process		64,886	0
Recreation Center Fee	175,251		
Commitment to FY 15-16 Budget		0	175,251
Rec Center Renewal & Replacement	248,390		
Renewal and replacement transfer		10,000	
Replace chiller coils and gym floor cover		(27,714)	230,676
Dining Reserves	0		
Renewal and replacement transfer		30,000	30,000
Housing Reserves	984,209		
Renewal and replacement transfer		0	
Replace Pierce Hall overflow roof drains		(49,075)	935,134
General Auxiliary	42,348		
Commitment to FY 15-16 Budget		(32,148)	10,201
Plant Fund	235,642		
Income from sale of scrap equipment		35,088	270,730
Renewal & Replacement Fund	426,064		
Renewal and replacement transfer		0	
Purchase 2527 Hampstead property		(210,180)	215,884
Total	<u>\$ 9,059,727</u>	<u>\$ (1,788,580)</u>	<u>\$ 7,271,147</u>

Schedule 4 reflects the use of tuition and fee reserves and does not take into account budgeted savings or positive additions to fund balances that are expected in these funds. It also does not include any budgeted salary or M&O savings (expected \$752K). Interest earnings savings is also not shown since it is not a tuition and fee item (\$279K). Total addition of these items is \$1.03M that is not shown on the schedule. Netting these out against the \$1.788M use of working capital reserves shown on the schedule would then require the university to use \$757K in reserves to balance. The \$757K is made up of: FY2016 budget use of one-time funding to clean up \$80K of old negative accounts once and for all, \$50K for tutoring services, and \$70K for stipends for faculty to develop freshmen seminar course (August 2015 BOR approval) ; \$90K for the DFW Extension market study (February 2016 BOR approval); summer school increase funding \$200K and 2527 Hampstead purchase \$210K, (May 2016 BOR approval); and \$112K in one-time expenses (August 2016 BOR approval).

Operating and Non-Operating Revenue

Operating revenues for the institution are up 8.5% from last year, with increases seen across all categories. The largest increase is seen in Student Tuition and Fees, \$2.6M, with an increase in tuition and fee rates and a larger than expected fall and spring enrollment. State grants also were up \$1M for additional student financial aid awards. Non-operating revenues saw state appropriations up \$1.3M, 8.5%, caused by the state increasing the formula funding rates for all universities last legislative session. Gifts fell slightly by 1.3%, \$60K. Investment income is up 7.6% from last year even with the volatile market. Overall, operating and non-operating revenues increased from \$93.9M to \$100.3M, a difference of \$6.6M, 6.8% over the prior year-to-date numbers.

Operating Expenditures

Schedule 1 shows that total operating expenses have increased from \$101M to \$108M, an increase of \$7M. This represents a 6.9% increase, with a large portion of the increase shown in the salaries and wage category (\$2.6M). Some of this is caused from correcting the way faculty salaries are being booked. Faculty earn their annual salary over the nine months of the academic year, but usually choose to be paid over twelve months. In the past, the financials showed the expense when the faculty received their pay, not when they earned it. This year, the accounting will reflect faculty pay as it is earned, with August pay already shown in these July numbers. Pay raises of \$700K are also reflected in these numbers. Benefit costs increased by 6.8% or \$.8M due to additional benefits on the pay raises and higher health insurance costs. Travel costs have increased because a larger number of students will be going on the university study abroad trips this summer. Materials and supplies, and repairs and maintenance all increased by a total of \$.8M because of the increase in student meal plans, furniture and equipment for classrooms, and software maintenance agreements and roof repair costs. Scholarships also increased 7.8%, \$1.6M, caused by the merit scholarship program that will continue to grow as the university continues to bring in large freshmen classes and retention improves. Rentals and leases were up \$.6M due to an increase in contracted overflow housing from the previous year and timing differences on the payment to the apartment complex. Depreciation also grew by \$.9M, 7.7%.

Schedule 2 compares eleven months of budgeted expenditures (91.7%) to actual and reflects an average expenditure pattern that shows expenses being 11% lower than expectations. Overall the university is spending less than its target, 80.7%, with the largest positive deviations in Scholarships (96.8%). These overages are caused by the scholarships being spent mostly in the nine months of the academic year versus being spread out over 12 months. The areas most under budget are maintenance and operations (53.9%), capital outlay (58.9%), and utilities (71.7%). Maintenance and operations is where most departments carry their department "reserves" and will roll forward funds in this category from one year to the next. It is, therefore, not surprising that expenses would be below expectations as the departments hold onto some of their budgeted funds. Summer utility expenses are higher than in the spring and the expectation is the expenses will be closer to the budget after the summer months. Capital outlay is also under because of a smaller HEAF distribution to departments this year. To balance the FY16 budget, the HEAF allocation to departments was \$1.2M less so savings could be used to pay debt service that was paid previously in the operating budget. By paying the debt service with HEAF, those operating dollars were freed up to help balance the budget. Because of this cut, most departments are being very frugal and not spending the funds quickly in case of unexpected emergencies they would need to cover in the year. In FY17, the HEAF allocation to MSU will increase by \$1.7M and departments will go back to receiving as much, if not more, as in prior years. All other expenditure categories were less than 91.7%.

Summary

The institution's Fiscal Year 2016 budget is tracking closely to the original plan the Board approved last August. Tuition and fee revenue are higher than budgeted (\$.7M) due to conservative enrollment projections and higher than expected fall to spring retention. Expenses are tracking closely to budget resulting in positive net income before any one-time expenses.