

Dr. Jose Fierro
President's Message
August 28, 2017

Dear Colleagues,

On August 18, 2017, Cerritos College has successfully closed the books for the fiscal year 2016-2017. I am happy to report that Cerritos College's unrestricted general fund ended the year with a \$1.6 million surplus instead of the \$1.9 million deficit that was budgeted as illustrated in the chart below.

2016-17	Budget	Unaudited Actuals	Surplus (Deficit)
Total Revenues	101,591,827.00	103,825,712.00	2,233,885.00
Total Expenditures	103,498,705.00	102,262,862.00	1,135,843.00
Surplus (Deficit)	\$(1,906,878.00)	\$1,565,850.00	\$3,469,728.00

Illustrated in the chart of expenditures below, Cerritos College had \$1.1 million in total cost savings.

Expenditures	Budget	Unaudited Actuals	Surplus (Deficit)
Academic Salaries	51,613,227.00	50,863,790.00	749,437.00
Classified Salaries	20,732,186.00	20,153,879.00	578,307.00
Employee Benefits	21,643,220.00	* 21,643,220.00	91,501.00
Supplies & Materials	1,347,758.00	1,438,107.00	(90,349.00)
Contract & Other	7,560,227.00	6,945,999.00	614,228.00
Capital Outlay	600,887.00	657,822.00	(56,935.00)
Transfers/Other	1,200.00	651,546.00	(650,346.00)
Total Expenditures	\$103,498,705.00	\$102,565,850.00	\$1,135,843.00

The majority of the cost savings came from salary savings of \$1.4 million. This was accomplished by hiring positions later in the fiscal year or by not hiring positions at all. Cerritos College began the 2016-17 fiscal year with 17 vacancies, excluding full-time faculty. Another area of significant cost savings, resulting in more than \$600 thousand came from contract and other operating services. More specifically, the cost savings were in travel, utility cost, rents and leases, and professional services. However, there were areas of budget overruns. Within transfer/other, Cerritos College unrestricted fund supplemented various categorical programs and other fund cost overruns, totaling more than \$650 thousand.

As illustrated in the chart of revenues below, Cerritos College had \$2.2 million more in total revenues.

Revenues	Budget	Unaudited Actuals	Surplus (Deficit)
State Revenues	77,254,505.00	*71,112,920.00	(6,141,585.00)
Local Revenues	24,223,322.00	32,576,669.00	8,353,347.00
Other	114,000.00	136,124.00	22,123.00
Total Revenues	\$101,591,827.00	\$103,825,712.00	\$2,233,885.00

Overall, state revenues decreased due to an unexpected increase in property taxes, particular in Education Revenue Augmentation Fund (ERAF). Previous estimates provided by the Chancellor's Office showed no ERAF funds to Cerritos College, however; in June 2017, the Chancellor Office's revised estimates showed Cerritos College allocation of \$14.7 million. This increase in property taxes alternately caused the reduction of state general apportionment.

Cerritos College received additional state revenues from prior year corrections and adjustments from the Chancellor's Office totaling more than \$500 thousand.

Cerritos College also showed increase revenues from nonresident tuition and other student fees of nearly \$250 thousand.

As you can see, we had several areas of unexpected increased revenue, which contributed to the reduction of our budget deficit and ultimately our surplus. I would like to thank the entire campus community for managing your department budgets efficiently. Thanks to your efforts the 2017-2018 academic year looks better. Although there is still work to be done to balance our budget for next year, by doing our part and continuing to manage our budgets efficiently, I am very optimistic that we will be able to close the budget gap for the 2017-2018 academic year.

Thank you again!

Jose Fierro, D.V.M., Ph.D.
President/Superintendent