

# Mott Community College Board of Trustees

Regular Meeting  
Monday, November 23, 2009  
Applewood Café  
Prah! College Center

## AGENDA

“The mission of Mott Community College is to provide high quality, accessible and affordable educational opportunities and services—including programs focused on university transfer, technical and lifelong learning, as well as workforce and economic development—that promote student success, individual development, and improve the overall quality of life in a multicultural community.”

Board of Trustees  
 Charles Stewart Mott Community College  
 Regular Meeting, November 23, 2009  
 Volume 41

AGENDA

- |       |  |        |
|-------|--|--------|
| I.    | CALL TO ORDER  |        |
| II.   | ADDITIONS TO THE AGENDA                                    |        |
| III.  | ADOPTION OF THE AGENDA                                     |        |
| IV.   | SPECIAL PRESENTATIONS                                      |        |
|       | FY 2008-2009 Audit Report                                  |        |
|       | -Larry Gawthrop, Chief Financial Officer                   |        |
|       | -Michael Schrage, Plante Moran                             |        |
|       | -Dana Coomes, Plante Moran                                 |        |
| V.    | COMMUNICATIONS   |        |
| VI.   | COMMENTS FROM THE PUBLIC                                   |        |
| VII.  | APPROVAL OF MINUTES  |        |
|       | Approval of Regular Meeting Minutes of October 26, 2009    | 42-42k |
| VIII. | INFORMATIONAL REPORTS                                      |        |
|       | <u>Acceptance of Standing Board Committee Reports:</u>     |        |
|       | 1. Personnel ( <u>Turner</u> , Bettendorf, Joseph)         |        |
|       | 2. Finance ( <u>Koegel</u> , Everman, Snell)               |        |
|       | 3. Policy ( <u>Joseph</u> , Snell, Turner)                 |        |
| IX.   | UNFINISHED BUSINESS  |        |
|       | 1.25 Amendments to Board Policy Section 6000 (Instruction) | 58     |
| X.    | NEW BUSINESS   |        |
|       | <u>Consent Agenda:</u>                                     |        |
|       | 1.26 Treasurer's Report for October 2009                   | 59-64  |
|       | 1.27 Receiving of Audit for FY 2008-2009                   | 65     |

## XI. ADMINISTRATIVE ITEMS

President's Report

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## XII. MISCELLANEOUS BUSINESS

4.05 Comments from Board Members

## XIII. EXECUTIVE SESSION

## XIV. ADJOURNMENT

FOR ACTION

Board of Trustees  
 Charles Stewart Mott Community College  
 Regular Meeting, October 26, 2009  
 Volume 41

1.25 Amendments to Board Policy Section 6000 (Instruction)

The Board Policy Committee is responsible for the drafting of new policies as well as review and revision of existing policies as needed, in consultation with the President.

The Committee has conducted a thorough and extensive review of Section 6000 of the Manual, and has prepared a revised version of the Section to be brought forth before the full Board for approval and ratification, in accordance with Board policy.

On the basis of the preceding information, the following resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Accepts the recommendation of the Policy Committee to amend Section 6000 of the Board Policy Manual, as detailed in the supplemental documentation provided.

Reviewed and Submitted By:



Sally Shaheen Joseph, Policy Committee Chair

Date: October 19, 2009

Board Policy Statement Reference: 1800 – Policy Development

General: The Board shall review its policies and shall delete, amend, and supplement existing policies, and/or adopt new policies, as necessary.

FOR ACTION

Board of Trustees  
Charles Stewart Mott Community College  
Regular Meeting, November 23, 2009  
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1.26 Treasurer's Report for October 2009

This resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Accepts the financial report of the College for the month of October 2009 as presented by the Administration.

Reviewed and Submitted By:

  
\_\_\_\_\_  
Lawrence A. Gawthrop, Chief Financial Officer

Date: November 13, 2009

Board Policy Statement Reference: 3100 – Budget Adoption

General: The annual budget represents the programmatic direction and vision of the College. It is also designed to meet both the legal requirements and needs of the College.

## October Treasurer's Report

Lawrence A. Gawthrop, CPA  
Chief Financial Officer

November 13, 2009

### *Summary of Expenditures:*

#### ***Month of October Spending:***

General Fund:	\$ 5,244,546
All Other Funds:	\$ 5,177,340
	-----
Total:	\$ 10,421,886
	=====

### *Comments on General Fund Financial Statements:*

- **Statement of Revenues, Expenditures and Changes in Net Assets**

In summary, total revenues for the four-month period ended October 31, was approximately \$26.6 million, representing 37.4% of the annual budget. This is 2.1% ahead of last year at this time, when we had recognized 35.3% of budgeted revenues which totaled \$25.4 million. Expenditures year-to-date are at \$19.1 million dollars, which represents 26.9% of the annual budget. This was 3.7% higher than last year at this time when compared to the previous year's budget.

#### **Revenues**

***Tuition and fee*** revenues are \$14.4 million for the four months ended, an increase of \$2.0 million from last year at this time. This positive variance is mainly due to credit-side enrollment figures for summer and fall being significantly higher than last year and than anticipated.

***Property taxes*** are \$9.7 million through October, and are \$508 thousand lower than last year at this time. We have budgeted a \$936,000 decrease in total tax collections for the year based on the final taxable value figures provided to us from the Genesee County Equalization Department.

***State appropriations*** payments for FY2009-10 are paid in monthly installments starting with October. The total budgeted amount for the current year is \$15.0 million based on

funding at the same levels as FY2008-09. We received our first payment as scheduled totaling \$1,494,666. The approximately \$122 thousand negative variance was due to the timing of receiving our at-risk payment when compared to last year.

### **Expenditures**

**Salaries and wages** total \$10.6 million for the four months ended October 31, up approximately \$1.6 million when compared to the previous year. This increase is due to the effects of the implementation of Faculty Assignment in Datatel, salary increases effective July 1, and increase in section offerings with our increased enrollment. **Fringe benefit** expenses at approximately \$4.1 million are \$618 thousand higher than when compared to last year due to the reasons mentioned above.

### **Other Expenditures**

The most significant change in the Other Expenses category was an increase of approximately \$111 thousand in the **Materials and Supplies** line item which is all in the instructional area.

- **Balance Sheet**

On the Balance Sheet, figures shown “As of October 31, 2009” are preliminary until the FY 08-09 year-end closeout and audit are complete. At that point, final June 30, 2009 totals will be carried forward. This is scheduled to take place at the end of October, with the November Treasurer’s Report being the first month to reflect the final audited beginning balances for this fiscal year.

**Total Assets** were at approximately \$19.9 million, compared with \$18.3 million at the same time one year ago. The largest differences were comprised of a \$3.6 million decrease in **Short-term investments**, a \$1.1 million increase in **Cash and cash equivalents**, a \$2.2 million increase in the **Due to/from Other Funds** accounts, and a \$1.8 million increase in the **Accounts Receivable** resulting in a total net increase of \$1.5 million. The variance reflected in the **Cash and cash equivalents** is the College’s attempt to maximize reductions in bank fees by carrying a larger balance in the cash accounts in order to receive offsets (credits) against our fees. The variances in our **Short-term investments** and **Due from other funds** are the result of funding of and timing of expenditures and reimbursements for inter-fund activities. The **Accounts Receivable** increase is a result of the double digit increase in enrollment and the significant amount of additional time required to process all of the financial aid. There has been a significant amount of additional resources, within the college and outside contracted services employed to try and manage the significant backlog.

At \$5.6 million, **Total Liabilities** are up approximately \$2.6 million from last year’s October balance. There was an increase of approximately \$1.8 million in **Accrued payroll and related liabilities**, an increase of \$230 thousand in **Accounts payable** and a \$176 thousand increase in **Deposits held for others**. The Accrued payroll and related liabilities increase was the effect of the implementation of the Faculty Assignment in Datatel as described in the salaries and wages expenditures earlier in this report and an understatement of the Health insurances accrual in the prior year. The increase in accounts payable was largely due to a timing issue from this year to last in processing accounts payable.

***“Due to” and “Due from”***

The College maintains one checking account for all of its funds; deposits and disbursements. This necessitates the short-term “loaning” or “borrowing” between the funds throughout the year depending on which funds revenue or expenditures are being deposited or paid out. Each month the accounting department clears these ***“due to’s”*** and ***“due from’s”*** respectively assigning the activity to the proper fund. However, significant activity can occur after these transfers are completed, causing large variances when compared to the previous 12 month period. This is the case in the current month and the reason for the \$2.2 million increase in this inter-fund activity.

***Comments on spending from other funds:***

- Of the \$5.2 million spent in the other funds, \$960 thousand was spent out of the ***Debt Service Fund*** for interest payments on our outstanding debt obligations, \$998 thousand out of the ***Maintenance and Replacement Fund*** and ***Bond Issue 2008 fund*** for capital improvements and the remaining \$3.2 million from ***Agency, Scholarships, and Federal Grants***, for grant activities and student scholarships.

**Mott Community College**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Net Assets**  
**For the 4 Months Ended October 31, 2009**  
**With Comparative Totals at October 31, 2008**

	FY 2009-2010 Budget	YTD Actuals as of 10/31/09	YTD Actuals as of 10/31/08	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 28,800,574	\$ 14,416,516	\$ 12,450,938	\$ 1,965,578	13.63%
Property taxes	23,500,000	9,653,476	10,161,869	(508,393)	-5.27%
State appropriations	14,995,200	1,494,666	1,617,306	(122,640)	-8.21%
Ballenger trust	1,740,000	574,367	611,648	(37,281)	-6.49%
Grants and other	1,932,413	420,812	574,977	(154,165)	-36.64%
<b>Total revenues</b>	<b>70,968,187</b>	<b>26,559,837</b>	<b>25,416,738</b>	<b>1,143,099</b>	<b>4.30%</b>
<b>Expenditures:</b>					
Salaries and wages	37,523,512	10,596,219	9,006,274	1,589,945	15.00%
Fringe benefits	14,971,747	4,134,899	3,516,537	618,362	14.95%
Contracted services	4,658,652	1,163,488	1,128,418	35,070	3.01%
Materials and supplies	2,136,895	635,414	524,066	111,348	17.52%
Facilities rent	250,150	89,595	66,056	23,539	26.27%
Utilities and insurance	2,799,300	807,095	784,893	22,202	2.75%
Operations/communications	5,089,153	1,444,713	1,462,354	(17,641)	-1.22%
Transfers	3,270,593	187,381	168,605	18,776	10.02%
Capital outlay	201,000	21,657	14,627	7,030	32.46%
<b>Total expenditures</b>	<b>70,901,002</b>	<b>19,080,461</b>	<b>16,671,830</b>	<b>2,408,631</b>	<b>12.62%</b>
<b>Net increase/(decrease) in net assets</b>	<b>67,185</b>	<b>7,479,376</b>	<b>8,744,908</b>	<b>(1,265,532)</b>	<b>-16.92%</b>

**Mott Community College  
General Fund  
Balance Sheet  
October 31, 2009  
With Comparative Totals at October 31, 2008**

	As of October 31, 2009	As of October 31, 2008	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 3,740,971	\$ 2,618,917	\$ 1,122,054
Short term investments	12,360,775	15,943,443	(3,582,668)
Due from (to) other funds	519,596	(1,685,197)	2,204,793
Accounts receivable - net of allowance for uncollectible accounts (\$3,427,897 for 2009 and \$3,037,510 for 2008)	3,117,818	1,266,229	1,851,589
Inventories	44,724	56,148	(11,424)
Prepaid expenses and other assets	109,715	149,680	(39,965)
<b>Total Assets</b>	<b>\$ 19,893,599</b>	<b>\$ 18,349,220</b>	<b>\$ 1,544,379</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 568,681	\$ 338,453	\$ 230,228
Accrued payroll and related liabilities	1,820,361	85,353	1,735,008
Deposits held for others	193,331	16,555	176,776
<b>Total Current Liabilities</b>	<b>2,582,373</b>	<b>440,361</b>	<b>2,142,012</b>
Accrued termination pay	3,049,129	2,565,725	483,404
<b>Total Liabilities</b>	<b>5,631,502</b>	<b>3,006,086</b>	<b>2,625,416</b>
Net Assets			
Unrestricted	14,262,097	15,343,134	(1,081,037)
<b>Total Net Assets</b>	<b>14,262,097</b>	<b>15,343,134</b>	<b>(1,081,037)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 19,893,599</b>	<b>\$ 18,349,220</b>	<b>\$ 1,544,379</b>

FOR ACTION

Board of Trustees  
 Charles Stewart Mott Community College  
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1.27 Receiving of Audit for Fiscal Year 2008-09

Section 389.143 of the Community College Act of 1966 provides that the fiscal accounts of the College shall be audited yearly by a certified public accountant in good standing and licensed to practice in the state of Michigan. In compliance with this law, the annual audit of Mott Community College's financial records for the fiscal year ended June 30, 2009 as performed by Plante & Moran, PLLC, has now been completed.

Audited Financial Statements have been issued, along with the independent opinion of the auditors that the statements present fairly, in all material respects, the financial position of the College for the year ended June 30, 2009.


On the basis of the proceeding information, the following resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Receives the 2008-09 audit as issued by Plante & Moran, PLLC.

Reviewed and Submitted by:

  
 \_\_\_\_\_  
 Lawrence A. Gawthrop, Chief Financial Officer

Date: November 13, 2009

Board Policy Statement Reference: 3431 - Audits

General: The purpose of this policy is to provide adequate authority for a strong, competent and vigilant Finance/Audit Committee ("the Committee") to assist the Board in fulfilling its fiscal oversight responsibilities relating to: the integrity of the College's financial statements, the independence and performance of external and internal audit functions, the College's financial and accounting practices, the College's compliance with legal and regulatory requirements, and standards of conduct. The Committee serves as the Board's liaison with any external auditors.

President's Report  
 Regular Board of Trustees Meeting  
 November 23, 2009

1. Executive Summary
2. Introduction of New Hires
3. Upcoming Dates:

November 26-27, 2009	College Closed for Thanksgiving Break
December 14, 2009	Policy Committee @ 3:00 p.m. in CM1019
December 16, 2009	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
December 21, 2009	Regular Board Meeting, Regional Technology Center
December 24, 2009 –	
January 1, 2010	College Closed for Winter Break
January 20, 2010	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
January 25, 2010	Regular Board Meeting, Location TBA
February 17, 2010	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
February 22, 2010	Regular Board Meeting, Location TBA
March 12-13, 2010	MCCA Spring Board of Directors Meeting, Mott Community College
March 17, 2010	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
March 22, 2010	Regular Board Meeting, Location TBA
April 21, 2010	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
April 26, 2010	Regular Board Meeting, Location TBA
May 12, 2010	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
May 17, 2010	Regular Board Meeting, Location TBA
June 23, 2010	Finance/Audit Committee @ 12:00 noon in CM1019
	Personnel Committee @ 4:00 p.m. in CM1019
June 28, 2010	Regular Board Meeting, Location TBA