

FOR ACTION

Board of Trustees  
Charles Stewart Mott Community College  
Regular Meeting,  
February 28, 2011  
Volume 43

Treasurer's Report for January 2011

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 January 2011 as presented by the Administration.

Reviewed and Submitted By:

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Michael Frawley, Interim CFO

Date: February 28, 2011

*Board Policy Statement Reference:*

*“3100 Budget Adoption: General: The Board recognizes that its 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.  
1. The Finance Committee shall receive and review budget reports on a monthly basis.”*

# January Treasurer's Report

Michael Frawley, CPA  
Interim Chief Financial Officer

February 28, 2011

## Summary of Expenditures:

Month of January Spending:

General Fund:	\$	5,630,301
All Other Funds:	\$	<u>10,636,359</u>
Total:	\$	<u>16,266,660</u>

## Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the seven month period ended January 31, was approximately \$51.7 million, representing 68.7% of the annual budget. This is .03% lower than last year at this time, when we had recognized 69.0% of budgeted revenues. The most significant changes were in *Tuition and fees and Property taxes* which are discussed further below. Expenditures year-to-date were at \$38.3 million dollars, which represents 50.9% of the annual budget. This was 2.2% higher in spending than last year at this time when compared to the previous year's budget.

### Revenues

*Tuition and fee* revenues are \$30.4 million for the seven months ended, which is \$1.9 million ahead of last year through January. As a percentage of budget, tuition and fee revenue is at 84.3% of budget vs. 86.6% last year.

*Property taxes* were \$14.1 million through January, a reduction of \$1.5 million (9.8%) vs. 2010. The amount budgeted is down 11.0% from last year at \$20.9 million based on final taxable value figures provided by the Genesee County Equalization Department. Relative to percentage of budget, we are now in line with prior year.

*State appropriations* payments for FY2010-11 are paid in monthly installments starting with October. The total budgeted amount for the current year is \$15.1 million which is in line with last year's appropriation. The fourth of eleven payments was received in January.

## **Expenditures**

**Salaries and Wages** are at \$21.6 million, or 55.2% of the annual budget. This is 1.2% higher than last year when we had recognized 54.0% of the annual budget. In actual dollars, it is an increase of \$ 300,000 or 1.45% over last year through January.

**Fringe Benefits** are at \$9.1 million, an increase of \$1.1 million from the previous year, mainly due to the increase in medical benefits costs. Medical benefit charges have increased an average of 21% over last year.

## **Other Expenditures**

The most significant changes in the Other Expenses area were an increase of approximately \$420 thousand in the **Contracted Services** line item due to the consultants in the Financial Aid area to help package aid and work that was done on the College's alarm system.

- **Balance Sheet**

**Total Assets** were at approximately \$30.4 million, down \$548 thousand from last January. The largest differences are a \$2.3 million combined increase in **Due from other Funds and Cash and Cash Equivalents**, due to the timing of reimbursement of expenses for other funds as explained below. **Accounts receivable** is \$982 thousand, which is a significant decrease compared to last January when it was at \$3.9 million. This is due to the efforts of the Financial Aid department in processing and packaging aid with the goal of maximum collectability.

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 period. This is the case in the current month and the reason for the \$10 million decrease in this inter-fund activity.

At roughly \$9.7 million, **Total Liabilities** were up approximately \$645 thousand from last year's January balance. The most significant change was in the areas of **Other accrued liabilities**.

The **Other accrued liabilities** is the recording of the full amount of the GM tax appeal as calculated by the Genesee County Equalization Department (\$ 611,000) less payments made to date (\$ 40,454).

## Comments on spending from other funds:

- Of the \$10.6 million spent in the other funds, \$539,000 was expended out of the ***Maintenance and Replacement Fund*** for capital improvements, \$1,240,000 was expended out of Bond Funds, and a majority of the remaining balance out of the ***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 7 Month Ended January 31, 2011**  
**With Comparative Totals at January 31, 2010**

	FY 2010-2011 Budget	YTD Actuals as of 1/31/11	YTD Actuals as of 1/31/10	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 36,132,476	\$ 30,442,580	\$ 28,559,012	\$ 1,883,568	6.60%
Property taxes	20,915,001	14,116,716	15,652,879	(1,536,163)	-9.81%
State appropriations	15,121,880	5,565,988	5,590,047	(24,059)	-0.43%
Ballenger trust	1,634,329	953,358	1,005,142	(51,784)	-5.15%
Grants and other	1,489,484	650,603	813,390	(162,787)	-20.01%
<b>Total revenues</b>	<b>75,293,170</b>	<b>51,729,245</b>	<b>51,620,470</b>	<b>108,775</b>	<b>0.21%</b>
<b>Expenditures:</b>					
Salaries and wages	39,105,717	21,567,993	21,258,844	309,149	1.45%
Fringe benefits	16,501,211	9,144,905	8,025,544	1,119,361	13.95%
Contracted services	5,734,537	2,566,327	2,146,959	419,368	19.53%
Materials and supplies	2,542,154	1,112,047	1,122,428	(10,381)	-0.92%
Facilities rent	213,700	145,755	175,252	(29,497)	-16.83%
Utilities and insurance	2,510,000	1,403,452	1,315,696	87,756	6.67%
Operations/communications	5,216,740	2,020,230	2,123,655	(103,425)	-4.87%
Transfers	2,963,200	307,836	274,144	33,692	12.29%
Capital outlay	440,470	16,070	48,815	(32,745)	-67.08%
<b>Total expenditures</b>	<b>75,227,729</b>	<b>38,284,615</b>	<b>36,491,337</b>	<b>1,793,278</b>	<b>4.91%</b>
<b>Net increase/(decrease) in net assets</b>	<b>65,441</b>	<b>13,444,630</b>	<b>15,129,133</b>	<b>(1,684,503)</b>	<b>-11.13%</b>

**Mott Community College  
General Fund  
Balance Sheet  
January 31, 2011  
With Comparative Totals at January 31, 2010**

	As of January 31 2011	As of January 31 2010	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 25,662,556	\$ 13,350,257	\$ 12,312,299
Short term investments	936	936	-
Due from (to) other funds	3,592,259	13,557,983	(9,965,724)
Accounts receivable - net of allowance for uncollectible accounts (\$3,322,474 for 2011 and \$3,352,965 for 2010)	982,361	3,880,551	(2,898,190)
Inventories	69,345	55,512	13,833
Prepaid expenses and other assets	96,905	106,964	(10,059)
<b>Total Assets</b>	<b>\$ 30,404,362</b>	<b>\$ 30,952,203</b>	<b>\$ (547,841)</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 4,743,899	\$ 4,533,502	\$ 210,397
Accrued payroll and related liabilities	1,366,346	1,309,361	56,985
Deposits held for others	231,112	213,904	17,208
Other accrued liabilities	570,546	-	570,546
<b>Total Current Liabilities</b>	<b>6,911,903</b>	<b>6,056,767</b>	<b>855,136</b>
Accrued termination pay	2,773,950	2,983,988	(210,038)
<b>Total Liabilities</b>	<b>9,685,853</b>	<b>9,040,755</b>	<b>645,098</b>
Net Assets			
Unrestricted	20,718,509	21,911,448	(1,192,939)
<b>Total Net Assets</b>	<b>20,718,509</b>	<b>21,911,448</b>	<b>(1,192,939)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 30,404,362</b>	<b>\$ 30,952,203</b>	<b>\$ (547,841)</b>