

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
June 27, 2011
Volume 43

Treasurer's Report for May 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 May 2011 as presented
by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: June 27, 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.”

May Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

June 27, 2011

Summary of Expenditures:

Month of May Spending:

General Fund:	\$	5,902,545
All Other Funds:	\$	<u>3,129,880</u>
Total:	\$	<u>9,032,425</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the eleven month period ended May 31, was approximately \$69.7 million, representing 92.5% of the annual budget. This is .6% higher than last year at this time, when we had recognized 91.9% of budgeted revenues. The most significant changes continue to be in *Tuition and fees and Property taxes* which are discussed further below. Expenditures year-to-date were at \$61.4 million dollars, which represents 81.6% of the annual budget. This was 2.7% higher than last year at this time when compared to the previous year's budget.

Revenues

Tuition and fee revenues are \$37.3 million for the eleven months ended, which is \$3.3 million ahead of last year through May and on the same pace with the budgeted percentage when compared to the previous year.

Property taxes are \$18.8 million through May, a reduction of \$2.5 million (11.7%) vs. 2010. The amount budgeted is down 11.0% from last year's \$20.9 million. The budgeted amounts are based on final taxable value figures provided by the Genesee County Equalization Department.

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 eighth of eleven payments was received in May.

Expenditures

Salaries and Wages are at \$34.7 million, or 88.8% of the annual budget. This is 1.3% higher than last year when we had recognized 87.5% of the annual budget.

Fringe Benefits are at \$14.4 million, which is an actual to budget increase of 2.9% year-over-year, equally due to the increase in medical benefits costs and MPERS retirement rate increases and the timing of posting retirement and insurance payments.

Other Expenditures

The most significant changes in the Other Expenses area were an increase of approximately \$503 thousand in the *Contracted Services* line item due to moving maintenance expenditures from the 72 fund to the General Fund and increased activity in the CE/CS and Workforce Development areas.

- **Balance Sheet**

Total Assets are at approximately \$27.8 million, up \$1.1 million from last May. The largest difference is a \$3.1 million decrease in *Cash and Cash Equivalents*, due in part to the unreimbursed portion of the library project from the State and a \$3.6 million increase in *Accounts Receivable* due to an increase in contact hours for Summer and Fall, an increase in the tuition rate, and a timing difference in the auto drop from last year to this year.

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.

At roughly \$12.2 million, **Total Liabilities** were up approximately \$2 million from last year’s May balance. The most significant changes were in the areas of *Other accrued liabilities* which 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 (\$ 89,977), *Accounts payable* which is attributable to a timing difference of the month end check runs, *Accrued payroll and related liabilities* due to timing of posting and payments for insurances and retirement payments, and *Unearned revenue* related to the increase in the summer and fall 2011 enrollment and contact hours when compared to the previous year.

Comments on spending from other funds:

- Of the \$3.1 million spent in the other funds, \$300 thousand was expended out of *Bond and Maintenance and Replacement Funds* for capital improvements, and the remaining \$2.8 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 11 Months Ended May 31, 2011
With Comparative Totals at May 31, 2010

	FY 2010-2011 Budget	YTD Actuals as of 5/31/11	YTD Actuals as of 5/31/10	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 36,132,476	\$ 37,287,781	\$ 33,964,890	\$ 3,322,891	9.78%
Property taxes	20,915,001	18,833,011	21,318,597	(2,485,586)	-11.66%
State appropriations	15,121,880	11,026,496	11,050,555	(24,059)	-0.22%
Ballenger trust	1,634,329	1,498,135	1,435,918	62,217	4.33%
Grants and other	1,489,484	1,025,819	1,015,810	10,009	0.99%
Total revenues	75,293,170	69,671,242	68,785,770	885,472	1.29%
Expenditures:					
Salaries and wages	39,105,717	34,731,772	34,471,047	260,725	0.76%
Fringe benefits	16,501,211	14,394,929	12,742,748	1,652,181	12.97%
Contracted services	5,734,537	4,321,389	3,818,163	503,226	13.18%
Materials and supplies	2,542,154	1,772,841	1,849,940	(77,099)	-4.17%
Facilities rent	213,700	195,354	243,585	(48,231)	-19.80%
Utilities and insurance	2,510,000	2,197,050	1,978,882	218,168	11.02%
Operations/communications	5,216,740	3,386,956	3,493,831	(106,875)	-3.06%
Transfers	2,963,200	307,836	385,603	(77,767)	-20.17%
Capital outlay	440,470	70,136	82,644	(12,508)	-15.13%
Total expenditures	75,227,729	61,378,263	59,066,443	2,311,820	3.91%
Net increase/(decrease) in net assets	65,441	8,292,979	9,719,327	(1,426,348)	-14.68%

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

	As of May 31 2011	As of May 31 2010	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 11,987,792	\$ 15,111,700	\$ (3,123,908)
Short term investments	936	936	-
Due from (to) other funds	5,915,321	5,299,458	615,863
Accounts receivable - net of allowance for uncollectible accounts (\$3,200,482 for 2011 and \$3,352,965 for 2010)	9,694,467	6,070,068	3,624,399
Inventories	87,305	68,077	19,228
Prepaid expenses and other assets	105,977	131,156	(25,179)
Total Assets	\$ 27,791,798	\$ 26,681,395	\$ 1,110,403
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 1,785,616	\$ 877,971	\$ 907,645
Accrued payroll and related liabilities	1,282,085	1,318,597	(36,512)
Deposits held for others	32,951	117,191	(84,240)
Unearned revenue	5,840,900	4,898,907	941,993
Other accrued liabilities	521,023	-	521,023
Total Current Liabilities	9,462,575	7,212,666	2,249,909
Accrued termination pay	2,762,365	2,967,087	(204,722)
Total Liabilities	12,224,940	10,179,753	2,045,187
Net Assets			
Unrestricted	15,566,858	16,501,642	(934,784)
Total Net Assets	15,566,858	16,501,642	(934,784)
Total Liabilities and Net Assets	\$ 27,791,798	\$ 26,681,395	\$ 1,110,403