

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
August 22, 2011
Volume 44

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

Reviewed and Submitted By:

Larry Gawthrop, CFO

Date: August 22, 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."*

July Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

August 22, 2011

Summary of Expenditures:

Month of July Spending:

General Fund:	\$	4,270,438
All Other Funds:	\$	<u>3,051,497</u>
Total:	\$	<u>7,321,935</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the one month ended July 31, was approximately \$11.7 million, representing 15.2% of the annual budget. This is 1.6% higher than last year at this time, when we had recognized 13.6% of budgeted revenues. The most significant change was in the *Tuition and fees* which is discussed further below. Expenditures year-to-date are at \$4.3 million dollars, which represents 5.5% of the annual budget, the same as it was one year ago.

Revenues

Tuition and fee revenues are \$11.2 million for the one month ended, which is \$1.2 million ahead of last year, this is a combination of an increase in contact hours and the tuition rate increase.

Property taxes collected are \$359 thousand in July. The amount budgeted is \$19.1 million, down \$1.5 million from last year's \$20.6 million and is based on final taxable value figures provided by the Genesee County Equalization Department.

State appropriations payments for FY2011-12 are paid in monthly installments starting with October. The total budgeted amount for the current fiscal year is \$14.4 million, or approximately \$600 thousand (4.2%) less than last year.

Expenditures

Salaries and Wages are at \$2.0 million, or 5% of the annual budget, the same as the prior year.

Fringe Benefits are at \$1.2 million, a decrease of roughly \$50 thousand from the previous year.

Other Expenditures

The changes in the Other Expenses area were due mainly to an increase in licensing costs and timing of the payment of invoices

- **Balance Sheet**

Total Assets are at approximately \$25.4 million, up \$150 thousand from last July. The largest difference is a \$7.7 million decrease in *Cash and Cash Equivalents*, due in part to the unreimbursed portion of the library project from the State and a timing difference of amounts owed from other funds (**\$5.4 million Due from other funds**) and a \$2.4 million increase in *Accounts Receivable* due to an increase in contact hours and tuition rate for Summer and Fall.

Due to/Due from Other Funds

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 \$6.3 million, **Total Liabilities** were up approximately \$163 thousand from last July’s balance. The most significant changes were in the areas of ***Accrued payroll and related liabilities***- timing difference in the payment of the health insurance payments from year to year, ***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), and the decrease in ***Accrued termination pay*** from the employee retirements.

Comments on spending from other funds:

- Of the \$3.1 million spent in the other funds, \$51 thousand was expended out of the ***Maintenance and Replacement Funds*** for capital improvements, and the remaining \$3 million 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 1 Month Ended July 31, 2011
With Comparative Totals at July 31, 2010

	FY 2011-2012 Budget	YTD Actuals as of 7/31/11	YTD Actuals as of 7/31/10	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 39,935,305	\$ 11,152,553	\$ 9,891,113	\$ 1,261,440	12.75%
Property taxes	19,125,451	359,169	330,854	28,315	8.56%
State appropriations	14,383,600	-	-	-	0.00%
Ballenger trust	1,734,329	136,194	143,592	(7,398)	-5.15%
Grants and other	1,741,484	39,945	36,193	3,752	10.37%
Total revenues	76,920,169	11,687,861	10,401,752	1,286,109	12.36%
Expenditures:					
Salaries and wages	40,227,578	2,000,823	2,030,729	(29,906)	-1.47%
Fringe benefits	18,364,320	1,234,421	1,279,443	(45,022)	-3.52%
Contracted services	6,681,404	156,998	102,787	54,211	52.74%
Materials and supplies	2,564,357	30,086	37,992	(7,906)	-20.81%
Facilities rent	213,700	40,738	25,360	15,378	60.64%
Utilities and insurance	2,525,500	413,378	381,309	32,069	8.41%
Operations/communications	5,243,342	386,991	350,159	36,832	10.52%
Transfers	2,079,200	4,000	3,000	1,000	33.33%
Capital outlay	441,100	3,003	10,210	(7,207)	-70.59%
Total expenditures	78,340,501	4,270,438	4,220,989	49,449	1.17%
Net increase/(decrease) in net assets	(1,420,332)	7,417,423	6,180,763	1,236,660	20.01%

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

	As of July 31 2011	As of July 31 2010	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 5,307,378	\$ 13,009,625	\$ (7,702,247)
Short term investments	936	936	-
Due from (to) other funds	7,027,163	1,545,245	5,481,918
State appropriation receivable	1,365,128	1,365,128	-
Accounts receivable - net of allowance for uncollectible accounts (\$2,806,090 for 2011 and \$2,700,907 for 2010)	11,478,815	9,093,266	2,385,549
Inventories	93,369	72,039	21,330
Prepaid expenses and other assets	97,120	132,749	(35,629)
Total Assets	\$ 25,369,909	\$ 25,218,988	\$ 150,921
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 966,833	\$ 1,025,585	\$ (58,752)
Accrued payroll and related liabilities	2,182,327	1,712,359	469,968
Deposits held for others	18,762	91,921	(73,159)
Other accrued liabilities	521,023	611,000	(89,977)
Total Current Liabilities	3,688,945	3,440,865	248,080
Accrued termination pay	2,646,924	2,731,114	(84,190)
Total Liabilities	6,335,869	6,171,979	163,890
Net Assets			
Unrestricted	19,034,040	19,047,009	(12,969)
Total Net Assets	19,034,040	19,047,009	(12,969)
Total Liabilities and Net Assets	\$ 25,369,909	\$ 25,218,988	\$ 150,921