

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
November 28, 2011
Volume 44

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

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: November 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.”

October Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

November 28, 2011

Summary of Expenditures:

Month of October Spending:

General Fund:	\$	5,855,255
All Other Funds:	\$	<u>12,323,891</u>
Total:	\$	<u>18,179,146</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the four months ended October 31, was approximately \$26.4 million, representing 34.4% of the annual budget. This is 1.3% higher than last year at this time, when we had recognized 33.1% of budgeted revenues. The most significant changes continue to be in the *Tuition and fees* and *Grants and other* which are discussed further below. General Fund expenditures for the four months ended October 31, are at \$20.1 million representing 25.7% of the annual budget, slightly below last October's budgeted amounts.

Revenues

Tuition and fee revenues are \$16.0 million for the four months ended, which is \$1.4 million ahead of last year, this is mainly due to the tuition rate increase.

Grants and other is at approx \$710k, up approximately \$315 thousand from last year. This is largely due to the \$250 thousand contribution from the Foundation for Mott Community College.

Property taxes collected are \$7.9 million though October. 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 We received our first installment on October 20, totaling \$1.3 million. The total budgeted amount for the current fiscal year is \$14.4 million or approximately \$700 thousand (4.88%) less than last year. This includes the loss of the renaissance zone payments we received in past years.

Expenditures

Salaries and Wages are at \$10.7 million, or 26.5% of the annual budget, comparable to the previous year.

Fringe Benefits are at \$4.8 million, or 26.2% of the annual budget, down from 27.3% one year ago.

Other Expenditures

The Other Expenses area is tracking as projected and in line with the budgeted amounts.

- **Balance Sheet**

Total Assets are at approximately \$22.5 million, up approx \$750 thousand from last October. The largest difference is a \$6.2 million increase in *Due from other funds*, a \$6.2 million decrease in *Cash and cash equivalents*, and a \$758 thousand increase in *Accounts Receivable*.

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 \$8.7 million, *Total Liabilities* are down approximately \$375 thousand from last October’s balance. The most significant changes were in the areas of *Accounts payable*-timing differences in check runs from the prior year, *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 estimated amount of the real property tax refunds created by the appeals filed with the Michigan Tax Tribunal, and a decrease in *Accrued termination pay* partly due to employee retirements and a decrease in the actuarial computation at year-end.

Comments on spending from other funds:

- Of the \$12.3 million spent in the other funds, \$387 thousand was expended out of the *Maintenance and Replacement Funds* for capital improvements, and the remaining \$11.9 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 4 Month Ended October 31, 2011
With Comparative Totals at October 31, 2010

	FY 2011-2012 Budget	YTD Actuals as of 10/31/11	YTD Actuals as of 10/31/10	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 39,935,305	\$ 16,009,527	\$ 14,587,748	\$ 1,421,779	9.75%
Property taxes	19,125,451	7,858,418	8,319,874	(461,456)	-5.55%
State appropriations	14,383,600	1,320,581	1,470,607	(150,026)	-10.20%
Ballenger trust	1,734,329	538,507	544,776	(6,269)	-1.15%
Grants and other	1,741,484	710,265	395,202	315,063	79.72%
Total revenues	76,920,169	26,437,298	25,318,207	1,119,091	4.42%
Expenditures:					
Salaries and wages	40,227,578	10,655,692	10,682,439	(26,747)	-0.25%
Fringe benefits	18,364,320	4,820,154	4,723,598	96,556	2.04%
Contracted services	6,681,404	1,508,180	1,601,582	(93,402)	-5.83%
Materials and supplies	2,564,357	573,989	562,261	11,728	2.09%
Facilities rent	213,700	126,142	73,941	52,201	70.60%
Utilities and insurance	2,525,500	1,027,679	881,423	146,256	16.59%
Operations/communications	5,243,342	1,231,369	1,218,317	13,052	1.07%
Transfers	2,079,200	142,094	189,613	(47,519)	-25.06%
Capital outlay	441,100	41,028	10,743	30,285	281.90%
Total expenditures	78,340,501	20,126,327	19,943,917	182,410	0.91%
Net increase/(decrease) in net assets	(1,420,332)	6,310,971	5,374,290	936,681	17.43%

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

	As of October 31 2011	As of October 31 2010	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 11,151,451	\$ 17,368,820	\$ (6,217,369)
Short term investments	936	936	-
Due from (to) other funds	9,125,963	2,903,425	6,222,538
Accounts receivable - net of allowance for uncollectible accounts (\$3,485,190 for 2011 and \$3,420,192 for 2010)	2,088,249	1,330,113	758,136
Inventories	57,092	54,159	2,933
Prepaid expenses and other assets	84,392	96,283	(11,891)
Total Assets	\$ 22,508,083	\$ 21,753,736	\$ 754,347
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 3,627,763	\$ 4,054,456	\$ (426,693)
Accrued payroll and related liabilities	2,037,405	1,491,520	545,885
Deposits held for others	34,888	159,960	(125,072)
Other accrued liabilities	521,023	570,546	(49,523)
Total Current Liabilities	6,221,079	6,276,482	(55,403)
Accrued termination pay	2,509,946	2,829,085	(319,139)
Total Liabilities	8,731,025	9,105,567	(374,542)
Net Assets			
Unrestricted	13,777,058	12,648,169	1,128,889
Total Net Assets	13,777,058	12,648,169	1,128,889
Total Liabilities and Net Assets	\$ 22,508,083	\$ 21,753,736	\$ 754,347