

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
January 23, 2012
Volume 44

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

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: January 23, 2012

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.”*

December Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

January 23, 2012

Summary of Expenditures:

Month of December Spending:

General Fund:	\$	7,465,171
All Other Funds:	\$	<u>3,547,304</u>
Total:	\$	<u>11,012,475</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the six months ended December 31, was approximately \$44.7 million, representing 58.2% of the annual budget. This is 1.7% higher than last year at this time, when we had recognized 56.5% of budgeted revenues. The most significant changes continue to be in the *Tuition and fees*, *Property taxes* and *Grants and other* which are discussed further below. General Fund expenditures for the six months ended December 31, are at \$33.3 million representing 42.6% of the annual budget, .2% below last December's budgeted amounts.

Revenues

Tuition and fee revenues are \$30.7 million for the six months ended, which is \$1.96 million ahead of last year, this is mainly due to the tuition rate increase.

Grants and other is at approx \$851K, up approximately \$261 thousand from last year. This is largely due to the \$250 thousand contribution from the Foundation for Mott Community College.

Property taxes collected are \$8.6 million through December. 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 third installment on December 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 \$18.4 million, or 45.7% of the annual budget, roughly the same percentage as the previous year.

Fringe Benefits are at \$8.1 million, or 44.1% of the annual budget, down from 45.6% one year ago.

Other Expenditures

The Other Expenses area significant variances when compared to the prior year actuals were in the *Contracted services* and *Utilities and insurance* areas. A majority of the contracted services area is due to the Information Technology contractors being charged to and paid out of the general fund instead of the 72 fund as was done previously. The Utilities and insurance variance is mainly due to timing of December payments from the previous year.

- Balance Sheet

Total Assets are at approximately \$26.5 million, up approximately \$1.2 million from last December. The largest differences are an \$10.4 million decrease in *Due from other funds*, a \$1.7 million increase in *Cash and cash equivalents*, and a \$10 million increase in *Accounts Receivable*.

Accounts Receivable

The \$10 million increase in Accounts receivable is due in large part to the timing of the Pell grant drawdown from last year to this year. In the prior fiscal year, the Pell award was drawn down on December 29 and in the current year on January 4. We are not permitted to draw down these funds under federal guidelines until 10 days before the start of classes. Because the timing of the calendar for the first day of classes was later than the previous year, we were not able to draw down the Pell awards until January 4th.

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 approximately \$7.6 million, **Total Liabilities** are up approximately \$200 thousand from last December’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 \$3.5 million spent in the other funds, \$318 thousand was expended out of the *Maintenance and Replacement Funds* for capital improvements, \$836 thousand out of the *Debt service funds* for regularly scheduled principal and interest payments on our outstanding debt and the remaining \$2.4 million 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 6 Month Ended December 31, 2011
With Comparative Totals at December 31, 2010

	FY 2011-2012 Budget	YTD Actuals as of 12/31/11	YTD Actuals as of 12/31/10	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 39,935,305	\$ 30,671,412	\$ 28,715,599	\$ 1,955,813	6.81%
Property taxes	19,125,451	8,586,792	8,889,588	(302,796)	-3.41%
State appropriations	14,383,600	3,961,743	4,200,861	(239,118)	-5.69%
Ballenger trust	1,734,329	668,432	817,164	(148,732)	-18.20%
Grants and other	1,741,484	851,065	590,278	260,787	44.18%
Total revenues	76,920,169	44,739,444	43,213,490	1,525,954	3.53%
Expenditures:					
Salaries and wages	40,227,578	18,396,209	18,482,032	(85,823)	-0.46%
Fringe benefits	18,364,320	8,100,105	7,910,091	190,014	2.40%
Contracted services	6,681,404	2,488,827	2,157,608	331,219	15.35%
Materials and supplies	2,564,357	873,759	880,588	(6,829)	-0.78%
Facilities rent	213,700	140,708	97,162	43,546	44.82%
Utilities and insurance	2,525,500	1,368,847	1,120,571	248,276	22.16%
Operations/communications	5,243,342	1,784,665	1,682,355	102,310	6.08%
Transfers	2,079,200	142,094	307,836	(165,742)	-53.84%
Capital outlay	441,100	49,067	16,070	32,997	205.33%
Total expenditures	78,340,501	33,344,281	32,654,313	689,968	2.11%
Net increase/(decrease) in net assets	(1,420,332)	11,395,163	10,559,177	835,986	7.92%

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

	As of December 31 2011	As of December 31 2010	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 13,547,856	\$ 11,864,938	\$ 1,682,918
Short term investments	936	936	-
Due from (to) other funds	(2,030,666)	8,380,803	(10,411,469)
Accounts receivable - net of allowance for uncollectible accounts (\$2,854,580 for 2011 and \$3,328,324 for 2010)	14,840,817	4,861,094	9,979,723
Inventories	64,740	62,764	1,976
Prepaid expenses and other assets	84,092	103,599	(19,507)
Total Assets	\$ 26,507,775	\$ 25,274,134	\$ 1,233,641
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 2,230,131	\$ 1,368,447	\$ 861,684
Accrued payroll and related liabilities	2,337,130	2,621,259	(284,129)
Deposits held for others	48,499	85,773	(37,274)
Other accrued liabilities	521,023	570,546	(49,523)
Total Current Liabilities	5,136,783	4,646,025	490,758
Accrued termination pay	2,509,742	2,795,053	(285,311)
Total Liabilities	7,646,525	7,441,078	205,447
Net Assets			
Unrestricted	18,861,250	17,833,056	1,028,194
Total Net Assets	18,861,250	17,833,056	1,028,194
Total Liabilities and Net Assets	\$ 26,507,775	\$ 25,274,134	\$ 1,233,641