

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
February 27, 2017
Volume

Treasurer's Report for January 2017

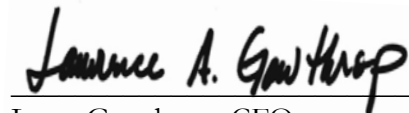
This resolution is recommended.

Be it Resolved, that

The Charles Stewart Mott Community College Board of Trustees

Accepts the Treasurer's Report of the College for the month of January, 2017 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: February 27, 2017

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's Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

February 27, 2017

Summary of Expenditures:

Month of January Spending:

General Fund:	\$	5,019,474
All Other Funds:	\$	<u>8,369,276</u>
Total:	\$	<u>13,388,750</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the seven months ended January 31, were approximately \$50.2 million, representing 69.1% of the annual budget, .5% higher than a year ago. The most significant change when compared to the budget and prior year actuals is in ***Tuition and fees*** which is discussed further below. Expenditures for the seven months was roughly \$37.5 million, which represents 51.7% of the annual budget, compared to \$38 million and 51.8%, one year ago. Decreases in ***Salaries and wages*** and ***Fringe benefits*** offset by an increase in the ***Operations and communications*** and a timing difference in the timing if the ***Transfers*** line items make up a significant portion of the differences.

Revenues

Tuition and fees revenues are \$28.1 million, \$691 thousand less than last year and 88.4% of the budget, down from 87% a year ago. Our 2016-2017 budget included an 8% decline in enrollment in contact hours (\$1.3 million) with a combination of our Summer, Fall, and Winter terms better than budgeted. Exclusive of second half classes, our Winter enrollment and headcount at February 16, were down 2.7% and 3.8%, respectively.

Property taxes collected are roughly \$12.8 million. The amount budgeted is \$17.8 million, \$134 thousand or roughly 1% more than the 2015-2016 fiscal year budget and is based on final taxable value figures provided by the Genesee County Equalization Department.

State appropriations payments for FY 2016-17 are paid in eleven monthly installments starting in October. The total budgeted amount for the current fiscal year is \$16.3 million or \$262 thousand more than last year excluding the UAAL stabilization pass-through. We received our fourth installment of roughly \$1.5 million without exception.

Expenditures

Salaries and Wages are roughly \$17.9 million, or 50.3% of the annual budget, compared to \$18.9 million and 52.2% a year ago.

Fringe Benefits are at \$8 million, or 50% of the budgeted amount compared to \$8.5 million and 52.9% of the budget one year ago.

Other Expenditures:

The variances in *Operations/communications* continues to be due to an increase in the Ellucian license fee and a new Amerinet license related to desktop security, as well as, more dollars spent on advertising, HR recruiting, and postage compared to last year.

- **Balance Sheet**

Total Assets are at approximately \$24.7 million, up \$121 thousand from last January. The largest differences are a \$941 thousand increase in *Cash and cash equivalents*, a \$423 thousand decrease in *Due from/(to) other funds*, and a \$495 thousand decrease in *Accounts receivable* directly attributable to lower enrollment and change in the allowance.

Due to/Due from Other Funds result from the College maintaining 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 \$5 million, *Total Liabilities* are down \$505 thousand from the prior year. The most significant changes were a timing in the vouchering in check runs reducing the *Accounts Payable* and an increase in *Accrued payroll and related liabilities* due to health insurance billing increases from the previous year.

Comments on spending from other funds:

- Of the roughly \$8.4 million expended in the other funds, \$337 thousand was out of the *Maintenance and Replacement and Bond funds*, \$60 thousand in depreciation and capital asset changes in the *Capital position fund*, and the remaining \$8 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 - Modified Accrual
For the 7 Months Ended January 31, 2017
With Comparative Totals at January 31, 2016

	FY 2016-2017 Budget	YTD Actuals as of 01/31/17	YTD Actuals as of 1/31/16	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 31,845,403	\$ 28,139,544	\$ 28,830,597	\$ (691,053)	-2.40%
Property taxes	17,797,093	12,843,063	12,380,003	463,060	3.74%
State appropriations	16,275,955	5,974,527	5,894,702	79,825	1.35%
State appropriations - UAAL Passthrough	3,148,057	1,223,776	1,144,747	79,029	6.90%
Ballenger trust	1,822,514	1,054,802	1,131,286	(76,484)	-6.76%
Grants and other	1,842,007	993,531	1,145,581	(152,050)	-13.27%
Total revenues	72,731,029	50,229,243	50,526,916	(297,673)	-0.59%
Expenditures:					
Salaries and wages	35,609,588	17,929,165	18,915,736	986,571	5.22%
Fringe benefits	15,987,284	7,997,139	8,531,149	534,010	6.26%
Fringe benefits - UAAL Passthrough	3,148,057	1,223,776	1,144,747	(79,029)	-6.90%
Contracted services	5,736,037	2,719,972	2,541,238	(178,734)	-7.03%
Materials and supplies	2,253,483	967,148	978,634	11,486	1.17%
Facilities rent	186,000	187,088	112,734	(74,354)	-65.96%
Utilities and insurance	2,778,350	1,650,917	1,685,151	34,234	2.03%
Operations/communications	4,706,913	2,942,830	2,646,864	(295,966)	-11.18%
Transfers out	1,946,000	1,791,824	1,450,744	(341,080)	0.00%
Equipment and Improvements	127,206	47,961	40,850	(7,111)	-17.41%
Total expenditures	72,478,918	37,457,820	38,047,847	590,027	1.55%
Net increase/(decrease) in net assets	252,111	12,771,423	12,479,069	292,354	2.34%

**Mott Community College
General Fund
Balance Sheet - Modified Accrual
January 31, 2017
With Comparative Totals at January 31, 2016**

	As of January 31 2017	As of January 31 2016	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 21,396,204	\$ 20,454,958	\$ 941,246
Due from other funds	(1,453,030)	(1,030,517)	(422,513)
Accounts receivable - net of allowance for uncollectible accounts (\$5,415,889 for 2017 and \$4,647,823 for 2016)	4,531,439	5,027,059	(495,620)
Inventories	56,540	74,972	(18,432)
Prepaid expenses and other assets	213,883	96,596	117,287
Total Assets	\$ 24,745,036	\$ 24,623,068	\$ 121,968
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 1,092,215	\$ 1,879,898	\$ (787,683)
Accrued payroll and related liabilities	1,433,472	1,193,417	240,055
Deposits held for others	15,897	13,832	2,065
Other accrued liabilities	169,125	177,218	(8,093)
Total Current Liabilities	2,710,709	3,264,365	(553,656)
Accrued termination pay	2,320,764	2,272,293	48,471
Total Liabilities	5,031,473	5,536,658	(505,185)
Net Assets			
Unrestricted	19,713,563	19,086,410	627,153
Total Net Assets	19,713,563	19,086,410	627,153
Total Liabilities and Net Assets	\$ 24,745,036	\$ 24,623,068	\$ 121,968